Britain Asks If Major Can Survive Until End of Term

By John Darnton
New York Times Service

LONDON - John Major's authority has been so devastated by his stunning defeat in Parliament on Tuesday night that people both inside and outside the Conservative Party were wondering Wednesday if the prime minister could survive another two and a half years.

The defeat, which came on the government's plan to slap a hefty tax increase on home heating fuel and electricity, was being compared to the poll tax, the issue that brought down Mr. Major's predecessor, Margaret Thatcher.

But Mrs. Thatcher managed to push through the poll tax, which raised revenues

NEWS ANALYSIS

for localities by head and was effectively scrapped only after she resigned four years ago. Mr. Major did not get that far. The additional value-added tax on fuel was turned back on a procedural amendment, 319 to 311,

What stopped him was a rebellion among the back-benchers in his own Tory party. Divisions and bitterness in the party now run so deep that Mr. Major is hard put to sponsor any bill with even a hint of discord to it. Already the government has backed away from what was to have been its showcase legislation this year - privatizing the post office.

The divisions initially cropped up over the issue of closer ties to Europe, a course that the government is committed to in a inkewarm way but that is vociferously opposed by two dozen or so Conservative members of Parliament. By now the rent is so big that it encompasses everything from personal grudges and recriminations to doubts about Mr. Major's leadership.

The full dimension of his defeat was spelled out in headlines in Wednesday's newspapers and the crowing epitaphs of copposition leaders. The government, said Tony Blair, the new and popular Labor fead, is "in disarray, discredited, no longer in control of events" and "terminally incapable of asserting its authority."

What makes these pronouncements dif-ferent from those of the past is that there is tuel tax increase, to 17.5 percent from 8 percent, had been agreed upon two years ago and approved by the House of Commons four times already. All in all, it was a perfunctory bit of budgetary business, hardly worthy of sparking a rebellion. Not since the Labor government of the late

See TORIES, Page 4



Bosnian Croats entering Celebic, southwest Bosnia, on Wednesday, after Serbs apparently abandoned the village.

U.S. Army Readiness Slips in Europe

By Rick Atkinson Washington Past Service

HEIDELBERG, Germany — The com-bat readiness of the U.S. Army in Europe has substantially eroded in the last two vears because \$300 million was diverted from training funds to pay quality-of-life expenses, the army's European command-

General David M. Maddox, who commands the 72,000 U.S. soldiers still based in Europe, said his two major combat units, the 1st Armored Division and the 3rd Infantry Division, had both slipped from C-1 to C-2 on the four-step scale the

measure fitness to fight.

"I have consistently diverted money from training because I have been consistently underfunded in taking care of my soldiers," General Maddox said in an interview as his Heiderberg headquarters.

"The diversion of that money from ig to quality-of-life is my fault. I did - forward de on. You've got to get the trash picked up. You have to pay the utility bills."

"I did not have the money to do that, and I diverted it," he said. "Am I proud of it? Absolutely not."

The disclosure comes less than a month

U.S. Army uses in an effort to objectively after Defense Secretary William J. Perry acknowledged that three stateside divisions - identified by army officers as the lst Infantry, 4th Infantry and 2nd Armored — had slipped to C-3, indicating significant fighting deficiencies and vul-

But the army has long ried to keep its units in Germany, Koit. But you need to be able to turn the lights rea, Hawaii and Alaska ready to undertake full wartime missions; General Maddox's admission implies the strains now felt by a military caught between a contracting Defense Department budget and a relentless string of deployments to Somalia, Mac-

See ARMY, Page 4

Bosnia Dead End: Fury and Blame

Assailing U.S., France Asks UN And NATO for Pullout Plan

By Roger Cohen
New York Times Service

ZAGREB. Croatia — Denouncing America for contributing to what he called the "total dead end in Bosnia," Foreign Minister Alain Juppé of France said Wednesday that Paris had asked the Unit-ed Nations and NATO to draw up detailed plans for the withdrawal of peacekeepers

"I say today that the the obstinacy of some and the demagogy of others risks setting the Balkans ablaze tomorrow," Mr. Juppe told the French National Assembly. "I am still ready to do everything I can to prevent such a development but my duty, alas, is to say that it is no longer improba-

In a clear allusion to the United States, he criticized governments "which teach us lessons daily and have not lifted a little

finger to put even one man on the ground."
His statement reflected widespread exasperation at the failure of international mediation efforts, Serbian humiliation of UN peacekeepers and the way the counter-attack by the Serbs on the Muslim enclave of Bihac has exposed NATO threats and

UN resolutions as empty.
NATO and the United Nations have in fact been involved in detailed planning for a withdrawal of the 23,000 peacekeepers in Bosnia for several months. Indeed the chief of staff of United Nations forces here, Brigadier General Roy Ratazzi, has worked on little else since August.

Thus Mr. Juppe's statement appeared to be aimed primarily at conveying a strong message to the warring parties in Bosnia that the time for a settlement was running

The Muslim-led Bosnian government would be deeply worried by a withdrawal because it would remove an important buffer against the Serbs. The Serbs would be less concerned but know that a United Nations withdrawal would leave them more exposed to eventual Western military

"If they pack up and take their weapons with them and don't leave them in the hands of the Muslims, the United Nations peacekeepers will be allowed to leave Bosnia," the Bosnian Serbian leader, Radovan Karadzic, said Wednesday.

A complete withdrawal would require a decision from the UN Security Council that does not appear imminent. It would almost certainly lead to the collapse into Serbian hands of the remaining Muslim enclaves — Srebrenica, Zepa and Gorazde in eastern Bosnia, and Bihac in the west. In its repeated acidity over American diplomacy in Bosnia, Mr. Juppe's speech also seemed aimed at passing blame to the Clinton administration for what would amount to a major embarrassment to the

British and French governments. Because it is not an intercontinental threat and because West European governments initially thought they could solve the conflict alone, Bosnia has repeatedly put the United States and Europe at odds, within NATO and outside.

"We have asked the United Nations and NATO to plan in detail the withdrawal of

Defense Secretary Perry denies that the United States has lost credibility. Page 4.

United Nations peacekeepers," Mr. Juppé said. "This is a high-risk operation that will require reinforcing troops on the ground first."

Current planning calls for those reinforcements to include American troops among an estimated two NATO divisions -or over 20,000 soldiers - that would be used to protect and transport the peacekeepers in a high-risk operation. The Clinton administration has indicated willingness to take part.

NATO on Wednesday formally asked member states how many troops they would contribute to such a Bosnian evacuation. Foreign Minister Douglas Hurd said Britain hoped its troops could stay in Bosnia, but planning for a withdrawal was constantly updated.

In practice, several ideas exist for a Bosnian withdrawal. It could involve only some countries — for example troops from European Union nations - and it could be limited to certain areas of Bosnia.

But any move will be highly sensitive politically, especially as several Islamic countries, including Iran, are lining up to replace nations that pull out. A meeting this week of the 52-nation Organization of the Islamic Conference in Geneva, attended by the Bosnian president, Alija Izethe-govic, produced pledges of up to 20,000 new troops.

Moreover, the mission is not without its successes that could be endangered by withdrawal. In central Bosnia, for example, where peace exists between the Musim and Croatian forces who were killing each other in 1993, the United Nations presence is clearly achieving something.

Woes in Unmerry Windsor Wildcat Oil Drilling Plan Near Castle

By Erik Ipsen

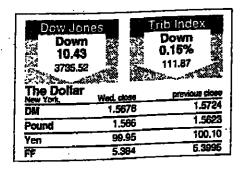
LONDON - What has been yet another annus horribilis for the House of Windsor lurched deeper into the danger zone on Wednesday as a leaked document suggested that hundreds of royal staffers and courtiers were living the high life rent free in several royal palaces

That unwelcome news came as public opposition mounted to Queen Elizabeth's surprising decision to allow wildcatters to drill for oil near the walls of Windsor

"Nearly two out of three courtiers and staff of the royal household are living rent free in five palaces maintained by the taxpayer for the queen," the Guardian newspaper reported at the top of its front page Wednesday. For the Labor Party, whose leader, Tony

Blair, had only days ago stirred up controversy by calling for a radically smaller, Scandinavian-style monarchy, the news was a godsend. "Plainly, stories like this emphasize the pend to have a debate on the relationship

between the monarch and the state through the Treasury," a Labor spokes-LEEL SOIG. While politiciens debated the finer points of constitutional reform, residents of Windsor fumed. Last week, the borough



Newsstand Prices Andorra 9.00 FF Luxembourg 60 L. Fr Greece.....300 Dr. Spoin200 PTAS italy2,260 Lire Tunisia1,000 Din ivory Coast .1.120 CFA Turkey ...T.L. 35,000

Only Adds to Royal Family's Troubles council voted unanimously against the planned exploratory oil well.

"It is something that in visual terms should not happen," said John Colby, director of planning for the royal borough of Windsor and Maidenhead. He called it

At beleaguered Buckingham Palace, a spokeswoman pondered that accusation and promptly ducked. Iill Middleburgh noted that before the queen's approval, the government had stacked the cards by granting its approval. "Maybe it was a bit insensitive for the government to give the license in the first place," she said.

It is now up to the county government to approve or reject the proposed exploratory well, whose reserves are estimated at as high as 100 million barrels. Experts estimate that the deposit beneath the castle See QUEEN, Page 4



CLAUS CLASS - Some of the 450 students dressed as Santa Claus sitting in the conference hall of Berlin's Free University on Wednesday. Each year the students organize a rent-a-Santa service at Christmastime.

Kiosk

Moscow vs. 'Mr. No'

MOSCOW (Reuters) - Foreign Minister Andrei V. Kozyrev said Wednesday that the UN Security Council should stop acting as "Mr. No" over easing sanctions against Iraq. "We think the Security Council should shift from the position of 'Mr. No' to a more flexible and diplomatic position," Mr. Kozyrev told reporters after talks with the Iraqi deputy prime minister, Tariq Aziz.

Correction

In Wednesday's editions, the International Herald Tribune incorrectly reported verdicts in the Paris trial of suspects in the killing of Shahpur Bakhtiar, Iran's former prime minister. The correct ver-dicts are: Zeynol Abedin Sarhadi, 28, an archivist at the Iranian Embassy in Bern, was acquitted and Massoud Hendi, 47, a businessman, was sentenced to 10 years in prison. Another defendant, Ali Vakili Rad, 35, was given a life sentence and ordered to serve at least 18 years. The IHT regrets the errors.

A California County's Financial Tremors Shake Wall Street

By Lawrence Malkin stional Herald Tribune

NEW YORK — Orange County has numerous claims to fame. The fast-growing suburban county south of Los Angeles prospered mightily on government defense contracts but votes overwhelmingly for free-enterprise politicians. Its freewheeling financial institutions helped spawn the

And Tuesday afternoon, after American securities houses refused to roll over its

loans and started taking possession of bonds they held as collateral, Orange County made history: Following disastrous losses in its investment fund, it sought protection in the largest municipal

savings and loan crisis of the 1980s. It is also the home of Disneyland. bankruptcy filing in American history to prevent Wall Street from making a run at the rest of its \$7 billion in assets.

Wall Street and foreign investors fled to the safety of Treasury bonds, wondering whether the over-leveraged California county would prove the epicenter of an international financial earthquake like the bankruptcy of Mexico in 1982 or

New York City's bond bailout in 1975. Not very likely, said money market analysts. But they also warned that the unwinding in credit markets, courts, and municipal rating agencies would be long and messy, a slow-motion readjustment of the kind that predictably follows when market held in women's camps where they were

See ORANGE, Page 3

Proving Rape: Vexing Task for War Tribunal

By Marlise Simons New York Times Service

THE HAGUE - In a well-guarded modern building here, stacks of folders stand as silent testimony to a rampage against women, telling of the large-scale and organized rape that soldiers inflicted during the Serbian "ethnic cleansing" of Bosnia-Herzegovina.

Evidence of the magnitude of the abuse was so shocking that it persuaded the United Nations to identify systematic rape as a weapon of war and to include it among the crimes to be tried by the international

Yet, 18 months after the Yugoslav War Crimes Tribunal was established, it is proving difficult to turn the horror stories recounted mainly by Muslim girls and women into prosecution cases. Indeed, so far the tribunal has indicted just one man and his case does not include sexual abuse.

Last year, a team of European Community investigators calculated that, in 1992, some 20,000 Muslim women and girls, some as young as 10 years old, were raped by Bosnian Serbian soldiers as part of a deliberate strategy to terrorize people, drive them from their homes, and shatter communities in Bosnia-Herzegovina. Other estimates are much higher. Many women told investigators they were raped in front of their husbands, parents, or children, while many others said they were

See RAPE, Page 4

How Many Bottles of Beer on the Wall? At College, Too Many to Count

By Christopher B. Daly

Washington Post Service BOSTON - Nearly half the college students in America are binge drinkers who cause an array of "second-hand" problems on campus ranging from vandalism to rape to fatal accidents, according to an

extensive study. The findings, culled from a survey of 17,592 students, present a picture of U.S. college campuses awash in beer, where a projected 3 million students go on drinking sprees even though most are too young to drink legally. On some campuses, the rate of binge drinking soured to 70 percent of the student body, and

fraternities and sororities had still higher rates. At a press conference announcing the study, which appeared Tuesday in the Journal of the American

Medical Association, the researcher, Henry Wechsler, said 50 percent of male students and 39 percent of female students were binge drinkers.

"Beer is the drug of choice on American college campuses today," said Mr. Wechsler, director of the Alcohol Studies Program at the Harvard School of Public Health. He said college administrators and students themselves must make drunkenness unac-

Mr. Wechsler was joined by Representative Joseph P. Kennedy, a Massachusetts Democrat, who has long sought legislation to require health warning labels on alcoholic beverage advertising. Mr. Kennedy de-nounced the brewing industry for spending billions on advertising aimed at encouraging youngsters to drink.

Mr. Kennedy, whose congressional district includes Harvard, MIT and roughly 30 other colleges and universities with a total of nearly 250,000 students, said the alcoholic beverage industry should no longer be allowed to deduct the cost of advertising from its taxable income. He called on colleges to reject industry-sponsored events.

Industry spokesmen disputed Mr. Kennedy's remarks and defended their practices.

"We are for responsible drinking, period," said Kirsten Fedewa, vice president of the Beer Institute, a trade association of brewers.

The Harvard study was conducted by assembling a data base of 25,627 students at 140 four-year colleges in 40 states and the District of Columbia. The schools

and the students were selected to be representative of all colleges, and students were asked to complete a 20page questionnaire. About 69 percent complied,

Researchers defined "binge" drinking as the consumption of five or more drinks in a row for men and four or more drinks for women. Mr. Wechsler said the lower figure was adopted for women because other studies indicate that women experience the same effects of alcohol at lower levels than men.

Overail, the study found that about 16 percent of all students reported having had no alcoholic drinks in the previous year. Forty percent said they drank but did not binge. The remaining 44 percent said they had had enough drinks to meet the "binge" definition, and half of those said they were frequent binge drinkers.

By Alan Cowell
New York Times Service

ROME — As investigators said that Italy's corruption inquiries would not ease after the resignation of a top magistrate, signs began to emerge Wednesday that the nation's erstwhile political practices were reviving.

One day after the resignation of Antonio Di Pietro, the Milan magistrate who became a national hero for his crusade against corruption, a small but influential parliamentary panel recommended that an inquiry against a former Christian Democrat Prime Minister, Ciriaco De Mita, be dropped.

The 23-member Senate committee on parliamentary immunity was acting under laws stipulating that cases involving ministers and former ministers must be reviewed at a high level before magistrates are allowed to proceed against them.

Magistrates in Naples had sought a ruling on whether they could pursue investigations into purported fraud, extortion and misuse of public office relating to the diversion of government funds after a major earthquake in 1980 in the

Down From Dusty Attic,

Fresh Van Gogh Flowers

AMSTERDAM — A French flea market purchase has been identified as a previously unknown flower still life by Vincent Van Gogh, the Van Gogh Museum announced

"It's never been seen by the public, never touched by professionals," said Rianne Norbart, a museum spokeswom-

The oil shows a brilliantly colored autumn bouquet with

asters and other flowers in a blue vase against a red-brown

The 58-by-43.5 centimeter (23.2-by-17.4 inch) painting will be on exhibit at the museum through Dec. 31, and then returned to the owner, whose name has been withheld from

The owner bought the painting at a flea market in France after World War II but did not recognize the signature "Vincent" in red in the lower right corner, according to Miss

It had gathered dust in an attic for decades before the

owner brought it to a Van Gogh specialist, Walter Feilchen-

French Senate Rejects Press Gag Law

ate's law committee on sparsely attended late-night ses-

by journalists as self-serving, protected by privacy laws.

BREITLING

ANTARES WORLD

Although not equipped with a chronograph, Bremung's Nightflight models embody a full measure of the quality for which its

simultaneously in three distinct timezones: local time with its hour and minute hands, and the time in two other timezones by the watch's 24-hour graduations and plane-tipped special hand.

Simple to operate, the ANTARES WORLD provides exceptional legibility

BREITLING SA

P.O. Box 1132

SWITZERLAND - 2540 GRENCHEN

Tel.: 41 65 / 51 11 31

Fax.: 41 65 / 53 10 09

INSTRUMENTS FOR PROFESSIONALS

"Instruments for Professionals" have been reputed for over a century. The ANTARES WORLD's elaborate movement shows the time of day

had been adopted by the Na-

tional Assembly during a

It was drafted in response to

complaints that details of inves-

tigations often are leaked to the

press in preliminary stages

when suspects are theoretically

background.

feldt, in Zurich last year.

PARIS — The French Sen-

ment to anti-corruption legisla-

tion that would have sharply

The amendment, denounced

curtailed media coverage of

corruption scandals.

Wednesday killed an amend- sion Nov. 21.

Irpinia region near Naples, Mr. De Mita's politi-cal base. The case involved bribes said to have as the most prominent figure in the country's been paid on contracts for a factory.

While the panel ruled in favor of blocking the inquiries into Mr. De Mita, it recommended that a similar investigation proceed against his brother Michele and 17 other people.

Committee officials were not available Berlusconi. Wednesday night to explain the reasons for the recommendation, which must now be approved by the full Senate. It came as many commentators said that Mr. Di Pietro's departure Tuesday showed that Italy's professed revolution had died and that its moves away from a corrupt past had been brought to a halt.

"The sheriff has been disarmed," said the broadcaster and author Enzo Biagi. "The cattlerustlers rejoice. And in the saloon the party can start all over again."

"In the great duel, politics has won," com-mented Ezio Mauro in the newspaper La Stampa. "Antonio Di Pietro has sacrificed himself on Italy's great, true altar: the impossibility

Christopher

Gets Pledge

By Arafat

On Attacks

By Elaine Sciolino

New York Times Service

GAZA — Yasser Arafat said

the words he was supposed to

say on Wednesday. In conciliatory language praised by Secretary of State Warren M. Chris-

topher, the chairman of the

Palestine Liberation Organiza-

tion pledged to do whatever he could to end the two-month

siege of terror against Israeli

If that happens, the Ameri-

can thinking goes, Israel might be less reductant to withdraw its

occupation troops from Pales-tinian towns and villages in the

West Bank as required under

the agreement signed with the Palestinians on the White

Such a withdrawal would

pave the way for elections that

would legitimize Palestinian

rule in the territories that they

In a joint news conference

with Mr. Christopher after their

hourlong meeting. Mr. Arafat

made clear to those Palestinian

extremists who carry out terror-

ist acts that only the political

name is in charge.

organization that governs in his

"We are proud of our democ-

racy," Mr. Arafat said. "But ev-

erybody has to understand that

there is one authority. It is the

Palestine National Authority in

the Palestinian territories and

everybody has to respect the

knowledged he understood that

unless Israel felt secure, the

DUBAI, United Arab Emir-

the former Soviet president,

made it clear Wednesday that

Yeltsin as the Russian presi-

--- Mikhail S. Gorbachev,

Your Studio or

Apartment in Paris

CITADINES HAUSSMANN 129-131 Bd. Houssmann

For I day, I week or more

4**** quality at 3*** prices

75008 PARIS Tel.: (1) 53 77 07 07 Fax: (1) 45 63 46 64

Ask about our special reduction for Herald Tribune readers

ORLY- LONDON

from FF. 790 RT*

4 flights daily

1st flight from Orly 7:15 am

Scheduled Airline

See your Travel Agent

will be allowed to control.

House lawn 14 months ago.

troops and civilians.

mani pulite (clean hands) inquiries. He said that political maneuvering had made his work impos-sible and that he wished to "depersonalize" inquiries that have been depicted as open war between himself and Prime Minister Silvio

Mr. Berlusconi himself is under investigation by the Milan magistrates, who say they want to find out whether he knew of bribes purportedly paid by his huge Fininvest empire to the tax

While such inquiries will most likely continue, many commentators said it was difficult to see how they would maintain the same sense of drama as in the past.

"We are here, as they say, at battle stations, today as yesterday, with a renewed sense of duty and enthusiasm," said Francesco Saverio Borrelli, the head of the Milan anti-corruption magistrates, who accepted Mr. Di Pietro's resigna-tion. "We will do everything possible to keep up the rhythm of the investigation," he said.

But some Italians suggested that the inquiries would inevitably proceed more slowly, as Mr. Mauro wrote in La Stampa, "without him as the motor and brain, without the almost physical energy with which he dragged the inquiries

Since the inquiries began in February 1992, thousands of politicians and businessmen have been questioned and more than 700 have been sent for trial in connection with bribes paid in return for government contracts.

■ Thousands Rally to Ask Judge's Return

Some rallied outside La Scala on opening night; others joined candlelight vigils or signed petitions. In all, thousands of Italians turned out Wednesday from north to south to try to urge Mr. Di Pietro to come back and lead the nation's inquiries of political corruption, The Associated

Press reported from Rome. Many of the rallies were organized by leftist parties, including the former Communists, whose ranks were relatively unscathed by the

WORLD BRIEFS

West Appeals for Leniency for Kurds

ANKARA (Reuters) — With only a day to go before a Turkish court rules in the cases of eight Kurdish legislators facing the death penalty for treason, pressures mounted on Ankara on Wednesday to be lenient or risk damaging ties with the West

President François Mitterrand of France launched a last-minute appeal to European Union partners on Wednesday to urge Turkey to avoid death sentences for the Kurds, who have been stripped of their parliamentary immunity, the Anatolian news

In Washington, a State Department spokeswoman, Christine Shelly, said the Kurds were on trial for "expressing their twn thoughts." She added: "We have repeatedly expressed to the Turkish government our deep concern over the trials and their implication for democracy and freedom of expression in Turkey."

Weak' Case Against Collor Opens

BRASILIA (Reuters) — Former President Fernando Collor de Mello of Brazil went on trial Wednesday for corruption amid reports that the case against him was weak.

Mr. Collor, 45, faces one count of passive corruption stemming from an alleged multimillion-dollar influence-peddling scheme. He could be sentenced to eight years in prison if found guilty. Media reports speculated that prosecutors lacked enough proof to convict Mr. Collor despite two years of investigation and more than 60,000 pages of evidence. "The indictment is very weak and the final charges do not support the hypotheses presented at the

start of the document," an unnamed Supreme Court justice told

Mexico President Pleads for Peace

the Gazeta Mercantil newspaper.

MEXICO CITY (AP) — Facing a guerrilla "nightmare," President Ernesto Zedillo pleaded with Indian rebels in southern Mexico on Wednesday to reconsider their rejection of new peace talks with the government.

Confronting the first crisis of his new presidency, Mr. Zedillo said he would not budge from his stand that negotiations are the only solution to the armed Mayan uprising in southern Chiapas state, launched last Jan. 1.

"Mexicans are worried about violence; we worry about poverty and injustice that are the root of the problems," Mr. Zedillo said in a breakfast speech at the Mexican Senate. "But we have to recognize that to have justice and peace, the only path is negotia-

Clan Fighting Resumes in Somalia

MOGADISHU, Somalia (Reuters) - Indian warships steamed into Kismayu Wednesday to cover the withdrawal of the last 850 Indian UN troops, but fighting between rival Somali clans erupted even before the soldiers could leave. 15.0

grade in the

Tie :

Testa --

C1: --- =

7. X

77. 27 12 L

Trans.

Gra-

M -- -

Somali staff of the aid agency Doctors Without Borders said the clashes broke out in the center of the port city, widely seen by UN officials as a likely flashpoint for renewed civil war.

In Mogadishu, the capital, the order for the 15,000-member United Nations force to leave Somalia came too late for one Egyptian peacekeeper, killed by a stray bullet fired by feuding militias, a UN spokesman said. An Indian warrant officer was injured by a stray round at Mogadishu airport. Some 131 peace-keepers have died in the bloodiest UN mission of its kind.

300 Hurt During Bangladesh Strikes DHAKA, Bangladesh (AP) — Clashes between political groups

and the police left at least 310 people injured Wednesday during. an anti-government strike that paralyzed major cities.

The dawn-to-dusk strike escalated the opposition's nine-month campaign to unseat Prime Minister Khalida Zia and force early

Opposition parties resorted to strikes after international and local mediation efforts failed. The opposition accuses Begum Zia's government of vote fraud, corruption and inefficiency. The prime minister has rejected opposition demands that she resign by Delay 27, and the opposition has rejected her offer to share power in an interim government until elections in 1996.

TRAVEL UPDATE

Liner Makes British Port After Alert

LONDON (Ketters) — The British of docked safely at Southampton on Wednesday after a major alert overnight when its engines failed in fierce weather and rough seas, the coast guard said.

Helicopter rescue crews in England and Belgium and lifeboat teams prepared for a large-scale rescale before the liner, with more than 2,400 people aboard, limped into port Wednesday morning. The captain had radioed for assistance when both engines failed. Coast guard spokesmen said the crew managed to restart the engines after repairing a fuel problem.

The 49,073-ton ship had drifted for more than an hour in severe gales before it managed to drop two anchors and hold a position about three miles from the Isle of Wight. While there was no immediate danger to those aboard, rescuers feared a disaster if the Canberra had foundered.

If Mr. Gorbachev did run, it is not at all clear he would win. Hungarian rail workers will strike for two hours Thursday, at 5 A.M., to demand higher raises than offered by the government and to protest threats of layoffs, union leaders said Wednesday.

ly been sharply critical of his those who remember his Draco-Shanghai on Wednesday opened an elevated circular highway policies, which he said Wednes- nian anti-alcohol laws, which that is intended to ease traffic congestion in China's largest city. Thousands of people lined the 48-kilometer (30-mile) route to watch a motorcade of taxis and buses decorated with ribbons and Some Russians yearn for a return to communism, but Mr. silk bows perform a lap of honor. Gorbachev said through an in-

Outraged by press photographs of naked bathers, a Brazilian judge has ordered the army to arrest anyone found unclothed at Abrico Beach, a newly inaugurated nudist beach near Rio de Janeiro, Brazilian newspapers reported Wednesday. (Reuters)

Chechens Brace for War After Russia Turns Tough

ture of Russia belongs.

terpreter: "I don't believe they

GROZNY, Russia -- The defiant people of separatist Chechnya prepared for war on Wednesday, after Russia abruptly ordered them to aban-

we are putting into consider-

ation the needs of security for the Israelis and we are ready to discuss it in detail with them."

been killed by militant Palestin-

ians since the agreement was signed in September 1993.

The atmosphere at Wednes-

day's meeting between Mr.

when they met at the seat of

dent, possibly in 1996 elections.
"I pay a lot of attention to

that subject, and I cannot ex-clude that," Mr. Gorbachev

said when asked at a news con-

Asked how he would differ

from Mr. Yeltsin, he said: "You

will learn that when I will be in

Mr. Gorbachev, in the Unit-

ed Arab Emirates for a confer-

ence on information technol-

ogy, resigned as president of the

quickly the elections," Mr. Ara-fat said. "But at the same time, Arafat angered the Israelis of the Israeli Army cannot stop of Israel.

Wait, Gorbachev Says, Until I'm in 'Yeltsin's Shoes'

my reforms.

troops would not withdraw and Christopher and Mr. Arafat

the elections would not take was dramatically better than

he wants to replace Boris N. ference about running in 1996.

his shoes."

"We are looking to have very Palestinian rule in Gaza last

A total of 94 Israelis have

don their three-year claim to independence and obey federal law or face the consequences. Chechen television broadcast instructions to the tiny mountain region on how to survive a

advice is to take enough food statement by the service, pub-and water to last three days," an lished by RIA news agency. and water to last three days," an

Yasser Arafat and Secretary of State Christopher after their talks in Gaza.

Mr. Christopher praised Mr. Arafat for his fiscal reforms in

recent months, which have con-

vinced donor states to send

committed funds and pledge

The question that Palestinian

Soviet Union as it broke up in

He said that new democratic reforms would underlie his pro-

gram and that he still adhered

to principles he had promoted

choice and a mixed economy.

when he asserted that they had terrorism in the occupied terriusurped his role by inviting tories, how can they? But the King Hussein of Jordan to Jeru-Declaration of Principles

salem and he frustrated his signed by the Israelis and Pales-American visitors by failing to tinians requires Mr. Arafat to

On Wednesday, by contrast, Israel's history can reasonably

leaders pose is this: If the forces Prime Minister Yitzhak Rabin

Once allied with Mr. Yeltsin, He remains deeply unpopular

Mr. Gorbachev has subsequent- in Russia, not least among

as leader, including freedom of are the people to whom the fu-

day were not "a continuation of have been scrapped.

"No one who is familiar with

the objective without insuring

that their security remains a

constant companion" of the

peace efforts, Mr. Christopher

said following a meeting

Wednesday morning with

get his financial house in order. curb Palestinian violence.

by evening, when Russia's Afghan mujahidin and Turkish counterintelligence service accused the leader of the service. cused the leader of the region of endangering Russia's vital interests and blamed him for thousands deaths.

The situation in Chechnya has become extremely dangerous for Russia's vital interests his conscience there are crimes

The statement accused Presi-

power at any price" and of turning Chechnya into a "training ground" for international terrorism.

"Dudayev's bloody trail goes outside Chechnya," it said. "On

177-150-2727

other 'hot spots.' Hundreds and thousands have been killed." The statement followed an angry demand by President Boris N. Yeltsin's Security Council that Chechnya bow down before Russian law.

Russia has been building up troops on the borders with Chechnya since a failed attempt by the anti-Dudayev local opposition, backed by Moscow, to seize Grozny late last month.

abrupt volte-face, after the high tension of recent days appeared to have dissipated in positive talks on Tuesday between the Russian defense minister, Pavel S. Grachev, and General Du-

The council statement denied there was any conflict between Chechnya and Moscow and

said the problem was a struggle for power inside Chechnya... (Reuters, AP)

or call (Paris): 44 56 18 08 Russian invasion by equipping cellars as air raid shelters. "My and its national security," said a in Abkhazia, Karabakh and The Security Council issued

IMPROVE THE WORLD'S **ECONOMY**

022-903-012 0800-10012 0-800-2222 000-8012 -800-624-1000 980-16-0001 080-90000

9800-102-80 00-1-99 Germany.) 00-800-1211 1-900-624-8721 001-800-674-7000

800-MC(800-624) 600-624 (Outside of Beirut, dial 01 first.) 425-0360 0800-0112 95-800-674-7000 19¥-00-19 06-022-91-22 001-800-950-1022

To call from country to country, or to the U.S., dial the WorldPhone® number of the country you're calling from. Military Bases raguay: Bru (Outside of Lime, dial 190 first.) Poland(CC) Portugal(CC) Puerto Rico(CC) Cataricci e Romania(CC)-Russia(C)+ San Maring(C) Saudi Arabia

2810-108 008-11-800 001-190 0**▼-01-04-800-222** 05-017-1234 1-800-898-8000 0800-012-77 01-800-1600 172-1022 00-42-000112

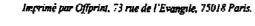
20-795-922 155-0222 United Arab Emirate To call the U.S. using MERCURY 0500-89-02221

172-1022 800-1114-0



Use your MCI Card, local telephone card or call collect...all at the same low rates. (CC) Country-to-country calling available. May not be available to/from all international locations. Certain restrictions apply. - Limited availability. ▼ Wait for second dial tone. A Available from LADATEL public phones only. Rate depends on call origin in Mexico. † International communications carrier. * Not grail-

From MC Let It Take You Around The World



THE AMERICAS / SECLEAS

عكذا من الاعل

Republicans Act Fast to Starve Special-Interest Groups

By Katharine Q. Seelye
New York Times Service

for hunds.

WASHINGTON — The Republicans have begun making good on their pledge to sweep Congress clean, whisking away financing for a cherished if little-known institution in the House — the caucuses — and suggesting they might even be able to sell off a government building in

The conference has begun a process of voting and eliminate potential voices of opposition.

It was the most eye-catching of the actions the to shrink the size of Congress, to shrink the size of the legislative staff," said Representative Newt Gingrich, whom Republicans have select-

There are 140 caucuses - special-interest groups formed by members to lobby each other - but 28 of them, known as Legislative Service Organizations, get taxpayer money and occupy

Capitol Hill offices. These 28 include the Coning Office, which has nearly 5,000 workers, by a and, at a time when Congress should be focusing gressional Black Caucus, the Congressional Cau-cus for Women's Issues and the Democratic Study Group, which have dozens of members and frequently influence legislation.

The Republicans agreed by voice vote to bar financing for these organizations in a move that drew criticism from Democrats as a political maneuver by Mr. Gingrich to consolidate power

functions. At the other end of the Capitol, Senate Republicans promoted their own Gingrich-style budget cuts, including a proposal to abolish the 143-employee Congressional Office of Technology Assessment and to cut the General Accountquarter to a balf.

House Republicans said that cutting the caucuses alone would abolish 96 staff jobs and free 16 House offices for other uses. But they balked at an even more sweeping change that would have reduced lawmakers' personal staffs to 16 permanent positions from 18; the reduction

would have wiped out at least 870 jobs. The whole point of the last election, Mr. Gingrich said, was "less government, less spending in Washington." To that end, the Republicans also adopted a resolution urging that Congress sell

"at least one" of its office buildings.
Critics argue that the House's 28 Legislative Service Organizations (the Senate has no comparable organizations) are tools of outside lobbyists, use public money with no accountability

on the big picture, foster petty divisions.

Mr. Gingrich said the lack of audits and accountability meant that some groups were "scandals waiting to explode." Some on Capitol Hill say the Republicans' real

motive is political: to weaken groups like the black and women's caucuses. The caucuses provide platforms to members outside committees

and frequently offer dissenting views.

Mr. Gingrich rejected any notion that doing away with caucuses would have a disproportionate effect on minorities and other groups that lack broad House representation.

He emphasized that groups like the black caucus remain free to meet on Capitol Hill. Republican groups would now have to operate under those same constraints, he said.

Clinton Crisis: Pounded by Republicans, Spurned by Democrats

By Todd S. Purdum

New York Times Service
WASHINGTON — President Bill Clinton approaches the midpoint of his term from a new low point, with no easy choices and perhaps few good ones as he struggles to reposition himself on political ground that perpetually reopens beneath him. He is under attack not only from resurgent Republicans but also many despondent Democrats, and at some pains simply to preserve his au-

A poll conducted over the weekend by the Times Mirror

NEWS ANALYSIS

Center for the People and the Press not only found Mr. Clinton trailing a generic Republi-can opponent for 1996 but also, more ominously, showed that fully two-thirds of Democrats surveyed wanted to see other candidates challenge him for the Democratic nomination.

Those strains showed on -Tuesday night in a feisty, reflective address to the Democratic Leadership Council, the centrist group Mr. Clinton helped found and rode to victory, but whose leaders now suggest that the president may be a big part of the Democrats' electoral problem, not the solution.

and the

. . .

"I ask you now once again to think about what your responsi-bility is," Mr. Clinton told the group, just hours after its chairman and his old friend, Repre-ity?" Mr. Clinton demanded. gage, be willing to struggle, be entative Dave McCurdy of "It's to join me in the arena, not willing to debate and enjoy Oklahoma, criticized the presi-in the peanut gallery — in the



Hillary Rodham Clinton whispering to her husband before he addressed a Democratic Leadership Council conference.

dent as a "transitional figure" arena, and fight, and roll up crippled by the tension between your sleeves, and be willing to his New Democrat's mind and his old Democrat's heart.

make a mistake now and then, s old Democrat's heart. be willing to put your shoulder to the wheel, be willing to en-

But enjoying "this" seems be the champions of hard-work-about the last thing the Clinton ing, middle-class Americans. White House is doing these The political team that will help days, and there is no clear him decide what to do remains agreement on what "this" is, unformed, led by the vacancy in apart from the president's oftexpressed insistence that he and cratic Party, and the economic the Democrats are and should team that will nail down specif-

ics just changed with the resig-nation of the administration's most grizzled Capitol Hill hand, Treasury Secretary Lloyd Bent-

On Monday, the Progressive Policy Institute, the policy arm of the Democratic Leadership Council, issued its own 10-point alternative to the Republicans' "Contract With America," including government loans for worker retraining, cuts in tax subsidies for favored industries (with the savings used to reduce the deficit and promote growth) and a campaign against teenage pregnancy.
While Mr. Clinton has spo-

ken receptively about many of those ideas, he has neither embraced nor rejected them specifically. The president's aides said that even a major address on his philosophy planned for next week would be unlikely to get into such detail, instead remaining a general statement of his principles, unlikely to win

live network coverage. White House officials said the bulk of Mr. Clinton's proposals on taxes and other issues would be embodied in his State of the Union and budget messages in January, but there, too, time is short. The State of the Union, delivered at the suffrance of Congress, is tentatively scheduled for the last week of January, but senior administration officials acknowledged Wednesday that there had been some discussion of whether it made sense to give the congressional Republican leadership so much time to make its own case.

Hubbell's Honest Image Takes a Tumble

WASHINGTON — It was nothing but a billing dispute among law partners. Webster L. Hubbell told his colleagues at the Justice Department just nine months ago. Nothing out

of the ordinary. Nothing that couldn't be resolved.

And they believed him, because Mr. Hubbell, former chiefjustice of the Arkansas State Supreme Court, former ethics officer of his law firm, author of the state's ethics law, had a reputation for integrity much of Washington could envy.

So this week, Mr. Hubbell's former co-workers at the Justice Department could only marvel about how well they

"Oh my God, this seems totally out of character," said one top official, upon learning of Mr. Hubbell's guilty plea Tuesday in Little Rock, Arkansas, to two felony counts of mail fraud and tax evasion. Mr. Hubbell, former associate attorney general, admitted that he bilked his clients, including the federal government, of more than \$390,000, before he arrived in Washington last year. (WP)

Ex-White House Travel Chief Is Indicted

WASHINGTON - Billy R. Dale, former chief of the White House travel office, was indicted Wednesday on charges he embezzled more than \$68,000 paid by news organizations for reporters to travel with the president.

An indictment charging him with two counts of embezzlement and conversion was returned in U.S. District Court here. Mr. Dale's attorney, Steven Tabackman, was out of town but had said Monday that Mr. Dale denied the charges and would vigorously defend himself at trial.

The government said the money included payments by news organizations for reporters' expenses and refund checks from telephone companies and other businesses that had been overpaid for providing services to traveling reporters. Mr. Dale headed the travel office from 1982 until his dismissal in May 1993 along with six other employees of the

An audit in May 1993 had found that the office kept sloppy records. White House lawyers called in FBI officials at the time of the firing to announce an investigation. (AP)

Japan Gets an Ally Against U.S. Stamp

WASHINGTON - On the 53d anniversary of the Pearl Harbor attack, the White House sided with Japan against a proposed U.S. stamp that commemorates the end of World War II with a picture of a mushroom-shaped cloud, "We agree that the atomic bomb helped speed the end of

the war. Dee Dec Myers, the press secretary, said Wednesday. But again, there could be more appropriate ways to depict that event.

The White House chief of staff, Leon E. Panetta, told Postmaster General Marvin Runyon about the White House's concerns, she said.

The Japanese Embassy, noting that tens of thousands of Japanese civilians were killed in the bombings of Hiroshima and Nagasaki, formally protested the stamp Friday. The State Department expressed its concerns Tuesday.

Quote/Unquote

Elizabeth Hedlund of the Center for Responsive Politics, a nonpartisan watchdog group, on the Federal Election Commission's decision to dismiss, due to constraints on its investigative ability, complaints against 36 wealthy Americans who exceeded the \$25,000 annual limit on federal campaign contributions: "Our fear is the dropping of cases sends a signal to wealthy political donors that the laws are not always going to be enforced and they can easily take their chances and exceed the limits without worrying about any penalty."

How a Texas Legend, Jack Brooks, Lost Out After 42 Years

By Sue Anne Pressley Washington Post Service

NEDERLAND, Texas — Here in the 9th Congressional District, oil refineries rule the Gulf Coast landscape and fishermen complain loudly about the day's catch. New bumper stickers urging "Impeach Clinton" decorate pickup trucks, and the slogan on the front door of the Hardware Man gun shop carries the righteous force of a commandment; "Fear the Politician That Fears Your Gun."

For 42 years, this has been Jack Brooks territory as he rose from a struggling freshman congressman, so poor he had to borrow money for a new suit to wear to Washington, to one of the most powerful politicians in the country. It is proof of the cigar-loving Democrat's near-leg-endary status that, even a month after the election that toppled him, no one here, friend or foe, can quite believe that when the 104th Congress convenes Jan. 4, Jack Brooks will not be present.

Mr. Brooks, 72, was beaten by a little-known 38-year-old accountant who operated his cam-paign from his home and who, according to many pundits, was victorious largely because he was not Jack Brooks.

- If this is a story of one longtime politician's abrupt comeuppance, however, it is also a larger tale of the feelings among voters that propelled the recent Republican revolution: Taxes are too high; government too big; reigning politicians too smug and out of touch. General distrust of federal lawmakers seems to have degenerated into outright disgust. No one knows how to solve the economic problems, residents here say, and no one understands how to fight crime.

In the Brooks case, voters apparently were willing to trade his considerable clout and their gratitude for all the jobs and federal goodies he

one highly emotional issue: their freedom to buy and bear guns. When Mr. Brooks voted last spring for the crime bill, and the accompanying ban of 19 firearms, constituents who had felt generally betrayed by their politicians found a

"People say, 'Well, he's been our friend for over 40 years.' Well, for over 40 years, we supported him," said John Kellams, owner of the Hardware Man who, until Nov. 8, had regularly voted for Mr. Brooks. "But when your friend

starts doing bad things to you, you don't feel like you have to support him anymore."

Mr. Kellams, 36, a gun dealer and firearms instructor, with his wife, Deborah, helped lead the pro-gun forces against Mr. Brooks.

"It wasn't just the gun issue, but there was like some kind of strange astronomical conjunction that got him beat. I mean everything was lined up," he said. "You have one of the most abysmally unpopular presidents in recent memory, you have a resurgence of conservatism on the political scene. Plus, you have a political scene that is becoming more polarized - now, both sides have moved so far away from each other, you'd better jump on one side or the other fast."

In the 9th District, which includes the highcrime areas of Beaumont, outlying Houston sub-urbs and the coastal cities of Galveston and Port Arthur, there are more licensed gun dealers than in the state of New York. Boys and girls alike grow up here learning how to shoot, and fowl-hunting preserves and well-stocked gun cabinets are part of the local culture.

This is a corner of far southeast Texas that seems more closely aligned with nearby Louisiana, a place of swamp grass and lingering humid-ity, home of the Texas Rice Festival, the Texas Gator Fest and historic Spindletop, the oil gusher that erupted near Beaumont in 1901.

located here, the area remains largely blue-collar, mittee, he described both Elliott Abrams, a forand recent decisions by President Bill Clinton such as backing gays in the military and support of trade agreements viewed as threats to American jobs - have not played well in the homes and trailer parks along the bayous.

Mr. Brooks's office did not return calls, he has attributed his defeat to the rhetoric of Rush Limbaugh and other rightist talk show pundits.

"I think everybody got tired of Washington," said Harold Talley, 57, secretary-treasurer of the Oil, Chemical & Atomic Workers International Union-local in Port Neches, who continued to support Mr. Brooks. "I think everybody's tired of Washington trying to pass a health bill that doesn't include them, everybody's tired of all the perks everybody gets up there. Ninety percent of us are probably going to end up using our savings for medical bills and that's a sad, sad situation."

That Jack Brooks - an LBJ Democrat often described as "the last of a breed" — could be felled with 45.7 percent of the vote says much about the current impatience with officeholders. Mr. Brooks seemed to cultivate an image as an independent, blunt-spoken sourpuss and was reportedly proud of a Washington Post photograph that showed him snarling at cameras. An early supporter of civil rights, he refused to sign the segregationist 1956 Southern Manifesto and was one of only Il Southern Democrats who initially supported the 1964 Civil Rights Act. In the 1980s, when the first of a series of conservative opponents began mounting increasingly serious challenges, it was support from his district's large core of minority and union voters that

In Washington, he was an early pro-impeachment critic of Richard Nixon and, later, as a

Although NASA's Johnson Space Center is member of the Iran-contra investigation commer State Department official, and John M. Poindexter, the former national security adviser, as "a lying son of a bitch."

As chairman of the influential House Judiciary Committee, he has also continued to look out for his district — perhaps to his detriment. A \$10

million boost that he tried to slip into the crime bill earlier this year for a law enforcement training center at his alma mater, Lamar State University in Beaumont, led to derisive cries here and in Washington that he had finally gone too far in his appetite for "pork." While many constituents appreciated his old-

fashioned attentiveness to his district, others had begun to speak of him as "Caesar" and to question the vanity of a still-living politician who would allow a bronze statue of himself to be put on the Lamar State campus. "He's an arrogant old fossil," Deborah Kellams said, "He forgot where he came from, who put him in office."

But his supporters wonder what can be expected from a successor like Steve Stockman, a \$25,000-a-year accountant who beat Mr. Brooks on his third try and received last-minute infusions of money from the Gunowners of America.

Now in Washington getting acquainted with his new environment, Mr. Stockman agreed that this time, the gun issue was Mr. Brooks's

downfall. "The problem," he said, "was that Brooks painted himself in a corner, quite frankly. He sent letters saying, 'I will do anything to stop the gun ban.' And he also said, 'You need to keep me in office because I'm powerful.' Well, you're either powerful enough to stop the gun ban or you're not. He set himself up as a giant and he

Vaccine for Lyme Disease Developed by U.S. Team

LONDON — American scientists reported Thursday that they had altered a tuberculosis vaccine so that it would work against Lyme disease, a tick-borne infection.

Lyme disease, which was first diagnosed in 1975, is the most common insect-borne infection in the United States and has also been reported in Europe, Japan, China, Russia and Australia. Doctors at Medlmmune Inc. and the University of Texas

said they had altered a vaccine known as bacillus Calmette-Guerin, which is used against tuberculosis. Sprayed into the noses of mice, it worked effectively against Lyme disease, they reported in the science journal Nature. A MedImmune spokesman said the next step would involve testing the vaccine on primates, with an eventual goal of human testing. Lyme disease causes flulike symptoms and joint inflammation that, if not treated, can persist for years. About 10,000

new cases are reported in the United States each year. MedImmune, based in Maryland, develops, manufactures and markets medications and vaccines for treatment and prevention of certain infectious diseases and cancers. It and several other companies have been working on finding a vaccine against Lyme disease.

Quebec Chief Unveils Independence Measure

Critics Attack Move as Premature

By Charles Trueheart Washington Past Service
TORONTO — Quebec's new

separatist government has un-veiled its first formal plans to steer the province to independence by 1996. Rattled defenders of the Canadian federation promptly called the process "ilegitimate" and "undemocrat-

Premier Jacques Parizeau on Tuesday introduced legislation in the provincial Parliament that lays out for the first time the terms of Quebec sovereignty that voters will be asked to approve in a referendum next year. In the meantime, Mr. Parzeau said, Quebeckers will be invited to participate in "an enormous democratic exercise...to build our country: Que-

The timing of the extensive public consultation process, during February and March, indicated that the referendum could come by June. Mr. Parizeau promised to put

the mostly French-speaking province on the "autoroute to sovereignty" in the election campaign last summer that1 brought the separatist Parti Québécois to power for the first time since 1985. Quebec's fitful romance with independence has been an obstacle to national

unity and a source of bitter recrimination between English and French Canada for most of the last quarter-century.

Current polls indicate that the referendum would lose, as the last and only other such Quebec referendum did in 1980. But Canadians got a dose of the unexpected last week when Mr. Parizeau's charismatic ally, Lucien Bouchard, nearly died from a flesh-eating disease that cost him his leg. His ordeal, according to much of the ensuing analysis, had added heroic luster to the separatist cause. Mr. Bouchard's doctors said his recovery was continuing, and he was expected to be on the referendum campaign trail by

Johnson, a Liberal, was among many detractors who called the Parti Québecois document undemocratic because some of its

Away From Politics

• A man threatening to jump from the George Washington Bridge in New York was calmed by Howard Stern over the phone during a live national broadcast of Mr. Stern's radio show. The man, who walked onto the bridge and called Mr. Stern on a cellular phone, was taken to a hospital, said the police, who added that there was no evidence of a hoax. (AP)

 Two radical fugitives accused of buying plastic explosives in a plot to help a Puerto Rican separatist leader escape from federal prison surrendered to FBI agents in Chicago after spending nine years living under disguised identities. (LAT) • Nearly one-third of postal workers fear they will face physical violence in their workplace, a finding that has alarmed postal officials and reinforced the image of the Postal Service

as a dangerous place to work. • Smokers are being deceived by advertising into thinking that low-tar, low-nicotine brands are less dangerous, according to a federal panel. The health benefit "of switching to low-tar and nicotine cigarettes is minimal compared to quitting entirely," the panel's leader said.

• A university whose scientists cloned human embryos has decided to destroy all data from that research. Ethicists decried the experiment at George Washington University for raising the specter of mass-produced people. (AP)

• A school district near Pittsburgh has agreed not to teach the Bible's story of the Earth's creation in science classes to settle a lawsuit filed by two students, who alleged that a biology

lesson last spring violated the legally required separation of church and state. • Hundreds of people have offered to adopt an Old English sheepdog that nearly died after drug smugglers surgically implanted cocaine-filled condoms in its abdomen. (NYT)

ORANGE: County's Financial Woes Send Tremors Through Wall Street

manias like the low-interest borrowing bonanza of the early 1990s reverse themselves, just as they did after the Federal Reserve started raising rates on Feb. 4.
The immediate result, said Sam Kahan

of Fuji Securities, will be more cautious investors in money markets, although he expected that to unwind when they discover that Orange County is not another Mex-

In a long scheduled appearance before Congress, the Federal Reserve chairman. Alan Greenspan, testified Wednesday that the U.S. economy was sound, that he was worried about inflation, and that he was also closely watching the derivatives market. (Page 15)

That market proved the undoing of Orange County's financially aggressive treasurer, Robert L. Citron, who resigned when his overleveraged investments soured in a mistaken bet that rates would

But Mr. Greenspan did not offer Mr. Citron or the more than 180 municipalities that invested in his fund a federal safety net as Paul Volcker, his predecessor, did for Mexico and lenders to stabilize the world financial system. He did not seem to think it necessary, said Astrid Adolfson of MCM Moneywatch. She explained:

"Some of the big boys got stuck in this,

and they are going to have to get unstuck by themselves. This time we haven't caught big banks and whole countries, but small towns and cities, and it will take time for banks would probably organize a rescue the others to surface. Nobody knows how package with state and possibly federal many there are, but Greenspan has just guarantees. told them they're on their own."

encouraged Mr. Citron by selling him derivative securities issued by quasi-govern-ment agencies such as the Federal National Mortgage Association.

These bonds, known as "inverse floaters," pay more interest when rates fall and less when they rise. That enables them to serve as a bet on the gains or losses of the underlying price of the security.

Had the Mr. Citron simply bought these floaters and sat on them, Orange County probably could have ridden out the storm. But as his municipal clients belatedly discovered, the fund borrowed money from the big securities houses to buy more, so the total investment of \$7 billion had a paper value of \$21 billion - until the Fed raised rates early in the year.

At that point, the yield from the floaters fell and was not enough to pay the interest on the money that had been borrowed to buy them. The county found itself, in Wali Street terms, under water,

Peter Swan, treasurer of the Irvine Ranch Water District and one of the fund's largest investors, said he expected But the securities are unlikely to regain

Among the largest firms caught by Mr. their par values, and the losses will eventu-Citron's investments was Merrill, Lynch & ally have to be made up by higher taxes, Co., whose bond salespeople seem to have delayed project spending, and bitter arguments in bankruptcy court over sharing the losses between the the county and the Wall Street professionals who sold the bonds in the first place.

Meanwhile, Terry Slattery, an investment analyst for the Orange County Employees Retirement System, accused Mr. Citron of violating instructions from the county's pension fund and placing \$65 million of retirement funds in the county's pool, Bloomberg Business News reported. Mr. Slattery said the money came from bonds the county sold in September.

He said it was given to Mr. Citron to be invested in a segregated account but was instead mingled with other funds in the county's investment pool, which was frozen when the county and the pool filed for bankruptcy protection late Tuesday. Mr. Slattery said Mr. Citron had assured him orally that the money would be kept apart

bec."

Quebec's opposition leader, the former Premier Daniel

language presumes that a majority of Quebeckers favor sovereign status for the province. Mr. Parizeau's thin victory over Mr. Johnson in the Sept. 12 election, with only 44.7 percent of the popular vote, reflected continued misgivings among many Quebeckers about the consequences of separating

Russia's Bosnia Line Called Fault of U.S.

Bid to Push NATO Eastward Was Ill-Timed, EU Chief Says

BRUSSELS - The European Union's chief executive blamed the United States Wednesday for Russia's hardline stance on the Bosnian war, which caused a pan-European security meeting to end in deadlock a day earlier.

The Clinton administration's bid — driven by congressional critics of NATO — to start the process of the alliance's eastward expansion has alienated President Boris N. Yeltsin of Russia, said Jacques Delors.

"I believe it was a premature initiative," said Mr. Delors, the outgoing president of the European Union's commission and a possible candidate for the French presidency.

Mr. Delors said he would

have counseled the United States against proposing an enlargement of the North Atlantic Treaty Organization now, a move that he said "complicates the forging of the necessary relations between the United States, European Union and

The NATO foreign ministers agreed Dec. 1 on a one-year study of the terms for NATO membership for East Europe-

ans. That day, Foreign Minister Andrei V. Kozyrev of Russia, attending a previously scheduled meeting with the foreign ministers, declined to endorse a broad NATO-Russia military cooperation program.

He accused NATO of dividing Europe anew by absorbing Moscow's former allies, a theme that also spoiled the Budapest summit meeting of the 52-nation Conference on Security and Cooperation in Europe.

At a meeting starting Friday in Essen, Germany, the EU leaders are to endorse a strategy for some East European countries to bring themselves up to speed to join the Union some day.

That go-slow approach to economic integration "is more consistent with the concerns of those countries than the enlargement of the Atlantic alliance," Mr. Delors said at a news conference.

Mr. Delors will step down as the EU chief in January after nine years and may run for the French presidency next year. He said he had made a decision but would keep it to himself for

key role in bringing reports of systematic rape into the lime-

may once again marginalize

sexual crimes against women.

RAPE: Tribunal Lacks Evidence

Continued from Page 1

abused night after night. The European investigators and Amnesty International reported that all three parties to the conflict, including Muslims and Croats, had sexually assaulted women, but that Bosnian Serbs had been the main abusers. They said that men in detention camps had also been abused. At the tribunal's headquar-

ters on the outskirts of The Hague, officials say a shortage of money and staff has slowed the pace of their work, leaving them waiting for new funds from the United Nations. Piles of evidence already gathered from refugees lie unsifted and untranslated. Richard Goldstone, the chief prosecutor, said that his staff of 80 people required at least twice as many interpreters, secretaries, lawyers, and investigators.

The shortages affect all of the tribunal's activities, which include reviewing a long list of atrocities. But women's rights' groups, which have played a

Australia Slow,

But Under Way

BOULDER, Colorado

Satellite measurements

show Australia creeping

north-northeast two to

three inches (five to eight

centimeters) a year, a rate that means that it would

travel about a mile over the

next 20,000 to 30,000 years,

provide direct evidence of

tectonic motion that we

simply did not have be-

assistant aerospace engi-

neer at the University of

Measurements were made by the Global Posi-tioning System, a group of

25 military satellites that beam radio signals to

Earth, operated jointly by the departments of Defense

and Transportation.

Colorado.

said Kristine Larson,

"All these measurements

a university study says.

abuses against thousands of girls and women. And they note that the court is pitifully short of female experts, who are considered indispensable to the sensitive task of questioning

victims and witnesses.

tant that prosecution happens as soon as possible, and, besides, rape is still going on," said Jacqui Hunt, a lawyer with the women's rights group Equality Now, in New York. Mr. Goldstone, a member of South Africa's Supreme Court

"For the victims, it's impor-

who took up his post as chief prosecutor in August, agreed that 2 women among the tribunal's 11 judges were not enough. "Obviously, I'd prefer there to be more women judges," he said. But he expects no changes on the panel, named by the UN General Assembly.

Of the tribunal's 22 lawyers 8 are women; there are also only 3 women among the 18 investigators.

"We have insufficient women all around," Mr. Goldstone added. "We hope to correct that

with the new hiring next year."
The war tribunal will not be the first to hear charges of mass rape, but it is expected to deal with the issue more prominently than any before.

"Rape has never been the concern of the international community," said Mr. Goldstone, who gained a reputation for independence while heading inquiries into political violence in South Africa. "It's important that this be dealt with." He acknowledged that this

raised difficult questions. "One wants to protect victims who don't want to talk, let alone talk in public," he said.
"But to enable the public to understand the seriousness of these events, we need to hear these women's voices."

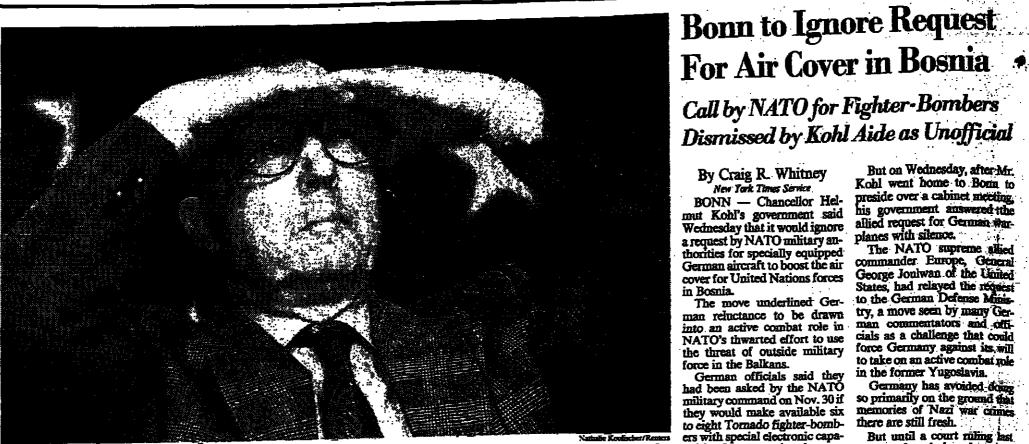
> See our **Business Message Center** every Wednesday



ENIOY CHRISTMAS AND NEW YEAR'S EVE IN LAUSANNE

Christmas Package Sfr. 485.- per person 2 nights including breakfast, dinner on Christmas Eve and lunch on Christmas day New Year's Package Sfr. 610.- per person 2 nights including breakfast New Year's Eve dinner bal "The imperial Vienna"

and lunch on New Year's day Call and ask for further information at tal. 41-21-613 33 33 or fax 41-21-613 33 34



The EU Commission president, Jacques Delors, taking press questions Wednesday at Union headquarters in Brussels.

Perry Denies U.S. Lost Credit Over Bosnia

WASHINGTON - The United States has not lost credibility in refusing to send troops into Bosnia after demonstrating its willingness to fight Iraq in the Gulf, Defense Secretary William J. Perry said on

Wednesday. He also denied that the North Atlantic Treaty Organization had suffered fatal political wounds in Bosnia's civil war and said the alliance would remain as a bulwark of European and world security.

Mr. Perry, after a speech on Gulf policy to the Middle East light, worry that foot-dragging Policy Council, a private organization, said that Bosnia, un-These groups complain that like the Gulf region, was not an so far the tribunal has not adearea of vital national security tions are entirely different." quately prepared to deal with

interest for Washington and therefore did not warrant the use of U.S. troops taking sides in the civil war there. "No, I don't think the situa-

tions are at all comparable," Mr. Perry replied when asked after his speech on Gulf policy whether U.S. decisions on Bosnia had eroded Washington's credibility. The Clinton administration has been criticized by some allies for refusing to send peacekeeping troops to Bosnia.

"We have not, first of all, defined Bosnia as a vital national security interest of the United States," Mr. Perry said. "Our involvement there is in a peacekeeping operation, not in a combat operation. The situa-

Later, he was asked in an interview with news agency reporters if allied criticism over U.S. refusal to send ground troops to Bosnia coupled with Europe's inability to end the war signaled the post-Cold War disintegration of NATO.

"I continue to believe that NATO is the most valuable security institution in the world today and therefore it is very important that we take efforts to maintain its strength, to maintain its cohesion," he said.

He predicted that the alliance would remain healthy. "Not only do we believe that is an important objective, but that has certainly been the same

view expressed by all of my NATO counterparts." Mr. Perry told reporters that

nia could pave the way for NATO bombing raids to pres-sure the combatants to end strikes.

talks Tuesday in Brussels with Mr. Rifkind on the eve of a

firmed that the request for the German planes had not been a the removal of United Nations formal or official one by the

will meet Mr. Leotard on Monday in Washington and hold

peacekeeping forces from Bos-

fighting. But he refused to say now if he would support such hac began posing an increasing He discussed Bosnia in telethreat last month to air cover by phone conversations with two the North Atlantic Treaty Or-NATO defense ministers, Franganization for United Nations çois Léotard of France and troops in the "protected area" of Bihac, the Muslim enclave Malcolm Rifkind of Britain. He the Serbs have been pounding

NATO defense ministers meet-

German Court Rules Coal Tax Illegal But the Federal Constitu-The court's decision comes as

By Brandon Mitchener International Herold Tribune

FRANKFURT - Germany's highest court ruled Wednesday that the surcharge that subsidizes domestic coal production was unconstitutional, a decision that will force the government to find a new way to provide \$4.5 billion a year to the industry.

The Federal Constitutional Court gave the government un-til 1996 to eliminate the socalled "coal penny" system, in budget, which is already which electricity companies strained by the cost of German charge customers a 7.5 percent reunification.

been lost.

Continued from Page 1

1970s have votes on a budget amendment

and for his chancellor of the Exchequer,

Kenneth Clarke, was to fill a \$2.3 billion

hole in the budget. Mr. Clarke was to

announce substitute revenue measures on

Thursday. More pressing was the need to steady the financial markets, which do not

take kindly to a political mutiny that un-

At 9:30 Wednesday morning, less than

12 hours after the vote, the chancellor

raised the interest rate by a half-point, to

6.25 percent from 5.75 percent. While the

raise had been expected, the timing was

clearly intended to send the message that

the government was still in charge and

aiming to damp down inflation and con-

ravels the country's fiscal plan.

trol economic expansion.

hill could be worth as much as

Desmond Oswald, the man-

aging director of Canuk Explo-

permission, noted that there

commercial quantities he put at no better than 30 to 1. If it does

£1 billion.

The immediate problem for Mr. Major,

surcharge on their monthly The surcharge to aid coal

production in North-Rhine-Westphalia and Saarland states is to rise to 8.5 percent in 1995. The Finance Ministry had no immediate comment on the ruling. But Economics Minister Günter Rexrodt said it would

be "unavoidable to consider whether we could raise the required funds through a new tax" if the coal industry is to be subsidized out of the federal

the government searches for tional Court, acting on a comways to reduce individual and corporate income tax rates, which are among the world's The government had been

considering an energy tax to reduce the country's output of carbon dioxide, which contributes to global warming. The coal industry had expect-

ed to receive as much as 7.5 billion Deutsche marks (\$4.8 billion) in subsidies through

plaint filed eight years ago. ruled that it was unconstitutional to charge only electricity consumers the subsidy. The court suggested electric-

ity was "a starting point for a consumption tax" but said that a broader tax would be more appropriate. German coal production is

the most expensive in Europe and has come under increasing this tax in 1996, and as much as scrutiny as the use of cheaper 7 billion DM a year for the next and cleaner-burning sources of energy spreads.

tives refused to vote the government line

last week, they had to be punished. They

were in effect drummed out of the party, at

And now Mr. Major is faced with anoth-

the government or abstained.

President Bill Clinton announced last week that he

more than two dozen other

least for the time being. The move back-fired. It reversed Mr. Major's slender marthat although combat divisions in Europe had previously been gin in the House of Commons, giving him control of 322 votes compared with 324 for classified as less than fully ready — during the Vietnam War and the Gulf War, for exopposition and Tory rebel votes combined. And when the critical vote on the fuel tax ample — it was typically became, the rebels felt free to "vote their conscience." All but one either opposed cause crucial personnel and equipment had been seconded to another theater. This is the first time in memory that the er agonizing decision: whether to let the entire European combat force has been classified as C-2 berebels back in. If he does, his punishment counts for very little. But if he does not, he cause of insufficient training, continues to run the political risk, not to the official said. mention the ridicule, of being one of the

Readiness is a much debated West's few leaders to voluntarily turn his topic in military circles and a own majority government into a minority difficult concept to quantify. But even with the Cold War consigned to history, being prepared to fight remains para-mount in the credo of the U.S. **OUEEN:** A Planned Oil Well Near Windsor Castle Upsets the Neighbors military.

Although forces in Europe are no longer likely to wage World War III against the Russians, the chance of combat somewhere against some foe remains high. Should United Nations forces in Bosnia require extraction under fire, for example, the 1st Armored Division would likely be part of a NATO Berkshire County Council, For the queen, there was perwould likely be part of a NATO where the fate of the well will be haps one bit of good news on rapid deployment force sent to decided on Jan. 4, the chairman Wednesday. The Sun, a tabloid provide cover, army officials

preside over a cabinet meeting. his government answered the allied request for German warplanes with silence. The NATO supreme allied

But on Wednesday, after Mr.

Kohl went home to Bons to

Call by NATO for Fighter-Bombers

By Craig R. Whitney

New York Times Service

mut Kohl's government said

Wednesday that it would ignore

a request by NATO military an-

cover for United Nations forces

into an active combat role in

NATO's thwarted effort to use

the threat of outside military

German officials said they

had been asked by the NATO military command on Nov. 30 if

they would make available six

to eight Tornado fighter-bomb-

cision." Mr. Bohl said.

in northwest Bosnia.

been equally ineffective.

on Security and Cooperation in Budapest, Mr. Kohl appealed

for a statement calling for a

cease-fire. "I do not want to go

home and answer questions from people who say, What did you do on Bihac?" Mr. Kohl

force in the Balkans.

BONN - Chancellor Hel-

thorities for specially equipped German aircraft to boost the air commander Europe, General George Joulwan of the United States, had relayed the request to the German Defense Minis-The move underlined Gertry, a move seen by many German reluctance to be drawn man commentators and officials as a challenge that could force Germany against its will to take on an active combat role in the former Yugoslavia.

Germany has avoided doing so primarily on the ground that memories of Nazi war crimes there are still fresh.

ers with special electronic capa-bilities for use against increas-But until a court ruling last summer found that the comingly active mobile Serbian try's 1949 constitution did not surface-to-air missile launchers. bar military missions beyond the German borders, German A statement issued Wednesday by Mr. Kohl's chief of politicians had also argued that chancellery, Friedrich Bohl, said that the NATO secretarytheir military could only be assigned to NATO to defeat Gergeneral, Willy Klaes, had conman territory from outside at-

The Constitutional Court in Karlsruhe said in July that German soldiers could also participate in international peace keeping missions under theired "In view of these facts, the overnment sees no need for a Nations anspices, if the legish-Serbian missile sites near the ture agreed. esieged Muslim enclave of Bi-

Public mistrust of foreign military entanglements remains strong as a public opinion poli of 1,007 Germans by the weeks magazine Stern showed has week. Fifty-four percent of them said they opposed German air strikes against the Serbs in Bosnia.

The NATO allies rejected an The opposition Social Demo-American request to consider a cratic Party leader in packa-ment, Rudolf Scharping, said campaign of stepped up air strikes against the Serbs, and turned to diplomacy, which has Wednesday that the party would oppose sending German planes into combat there. Earlier this week, at a meeting of the 53-nation Conference

NATO officials in Brussels said that the request for the planes had been discussed at the edges of last week's meeting of foreign ministers, but not pressed. It was not put to a regular meeting of the alliance's permanent representatives on Wednesday, they said.

gate To The

Cambodia

PORTFOLIC

Marie Cons

Bi-lingi

Office

 $H_{\rm eff}$

ŗ.,

ARMY: Readiness Slips in Europe

Continued from Page 1

edonia, Kuwait, Rwanda and

billion in Pentagon spending and other installations in Gerover the next six years. Army officials also acknowledge that they hope the new Republican majority in Congress will provide additional short-term funds in a supplemental appropriation bill.

A senior army official said

neled \$150 million from training funds to various quality-oflife accounts in fiscal 1993 and

did the same thing in fiscal 1994:

In both years, he added, he received from Congress an adequate training budget but only 60 percent of the money needed would seek an additional \$25 to operate the army's 370 bases many, Italy, Belgium and the

> Netherlands. General Maddox estimates that he will have a \$170 million shortfall this year even without undertaking any new construc-tion or tackling "a backlog of repair and maintenance."

By the army's own standards the combat divisions in Europe are adequately trained "to undertake most wartime missions." Few commanders would argue that national security has been imperiled by the recent slippage; but many senior officers who served in the dispirited "hollow Army" of the 1970s interpret current trends as portents of worse things to come.

Santa Line Cut By Scroogelike French Official

PARIS - Officials pulled the plug Wednesday on a dial-a-Santa service for French children, saying the service was a con because Father Christmas was not really on the other end of the line. "The words which pre-

tend to be those of Father Christmas are simply des-tined to keep the caller on the line," said Alain Lacabarats, a magistrate, upholding a claim by a parents' group that the service was a fraud. He said the service, run

by a company in Aix-en-Provence was "manifestly illicit."

ACCESS NUMBERS

00-600-1-4477

T-800-877-8000 8-100-15 800-131

000417

172-1977

TO OUR READERS IN BERLIN

the chief beneficiary. For the the outset to drop his bid. He among the populace. queen there would be only what also said his plans for two crown estate officials describe as a "very small beer" fee for no accident.

ration, the company seeking the her granting permission.

permission, noted that there "Geologically it is a well lowas typically a one in eight cated site, but environmentally chance of finding oil in a wild-it is a bit sensitive," Mr. Oswald cat well. The chances of finding said. "But you can't have every-

You can now receive the IHT hand delivered to your home or office every morning on the day of publication.
Just call us toll free at 0130 84 85 85 months of day-and-night drilling beginning in August were

pan out, Mr. Oswald would be that he was widely advised at blings of a gusher of greed

TORIES: Britain Wonders Whether Major Can Survive Until End of Term

lenge will be to restore his credibility and

his hold over the party in time for an election, which must be held by mid-1997.

To regain popularity, he is looking to Brit-

ain's economic recovery, which is moving

ahead, and an emphasis on strong new

measures to strengthen the powers of the

contradictory tactics, at times threatening the Tory rebels and at other times offering

them concessions. Last week, he quelled a

revolt by "Euroskeptics" — those wary of

merging more closely with the rest of Eu-

rope as called for by the Treaty on Europe-

an Union — by declaring a vote on Brit-

ain's contribution to the European Union

to be a vote of confidence in his govern-

This meant that when eight Conserva-

In dealing with the party, he has tried

police in questioning criminal suspects.

Over the long run, Mr. Major's chal-

thing."
Mr. Oswald acknowledged

"The queen is away those houses of one of the richest months," he said.

At the headquarters of the Berkshire County Council, decided on Jan. 4, the chairman of the development control committee noted mixed feelings about the matter. On the one hand, said the committee chairman, Donald Beer, oil wells generally fall into the "not in my backyard" group of devel-

"People are wondering how much oil is in their garden," Mr. Beer said. "It figures that they would discover oil under the women in the world and all of

us poor people have nothing."

newspaper, reported that faced with eviction next month from her rented house, which has commanded U.S. Army forces now been sold, the Duchess of in Europe since July 1992 and is York is weighing moving back about to retire after 35 years in in with her estranged husband, uniform, said that he had fun-

Prince Andrew.

"My husband would be delighted," she told the paper. opments. On the other hand, he said he detected the first rum-ACCESS NUMBERS COUNTRIES COUNTRIES ACCESS NUMBERS COUNTRIES ACCESS NUMBERS COUNTRIES ACCESS NUMBERS COUNTRIES Peru /
Philippines (ETPI stations o Philippines (Philippines (Philippi 633-1000 TO CUT THROUGH 0042-087-187 102-611 105-16 00104-800-11 05017-1-877 00-1-900-777-1111 8-10-155 1-800-751-7877 Portugal + Puerto Rico ~ CCS-5511-16 Kores (Kil) ++ THE HASSLES OF USING 1-800-851-677 022-903-014 Egypt (all other) + El Salvador + 02-356-4777 1-800-877-anno mia +4 7-890-389-2111 1-800-677-8000 197 Russia (Moscow) + Russia (all other) +# 155-6133 9800-1-0284 A FOREIGN PHONE, 0800-121 1-235-0333 172-1877 950-1366 Soudi Arabia 1800-15 8000-177-177 0800-3333 CUT ALONG THE DOTTED LINE. 001-800-745-1111 001-800-1212000 0-800-99-000 900-99-0013 06 4022-9119 1-800-877-8000 400-1877 -800-277-745B

Bermuda /
Bolivia Brazil British Yingia Id. Bulgaria A Canada ~

105-13 980-130-010 980-130-110

999-003 000-137 001-801-15

1-800-55-200

177-102-2722

St, Lucio 3

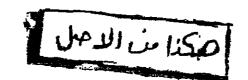
U.S. Virgin Isl - ہمکانا Utopine United Arab Englis United Kingdom (BT)
United Kingdom (Men

Sprint.

To call, just use this bandy guide and dial the access number for the country won or visiting. In no man, at all, you'll be connected to on English-speaking Sprint Operator, It's that easy.

ure in or 1 800-877-465 while in the U.S. Bold denotes country to country colling availability. A I-ÖNCARD billing celly Use Globa & how pay planes. ~ F-ÖNCARD billing Collect call U.S. termination only in some create as the local optimization connect you to the r. may apply — a Also available from deducted planes; in major caports and bately. © 1974 Spreat Communications Company U.S.

155-9777



Rift Opens in New Japan Opposition Party

Compiled by Our Staff From Dispatches TOKYO - A rift emerged in Japan's new opposition party before its formal launching this week, with former Prime Minis-ter Tsutomu Hata deciding Wednesday to compete for the leadership with another former prime minister. Toshiki Kaifu.

Reques

-: :

. . . -

 $= \sqrt{n} \sqrt{n}$

Searches

Analysts said that by an-nouncing his candidacy, Mr. Hata was rebelling against his longtime ally Ichiro Ozawa, the political kingmaker who will become secretary-general of the party, called New Frontier. The party is to be formed on Satur-

day. Earlier Wednesday, Mr. Ozawa tried but failed to dissuade Mr. Hata from running

Hata are from the Japan Renewal Party, and Mr. Ozawa Keiwa O reportedly said he hoped that Mr. Hata would forsake becoming a candidate to avoid creating the impression that a single party was dominating the alli-

The New Frontier Party will be the second largest political force in the country, with 180 seats in the lower house, com-pared with 200 for the Liberal Democratic Party, the main partner in Mr. Murayama's coalition.

Mr. Ozawa was reported to

for the leadership of the party, which brings together nine opposition groups.

have tried to shape a consensus on making Mr. Kaifu leader to 1991, Mr. Kaifu made efforts and himself secretary-general. position groups.

Both Mr. Ozawa and Mr.

But that proposal was defied by

Keiwa Okuda, a veteran lawmaker from the Renewal Party. said that younger members were supporting Mr. Hata.

The leadership will be contested on Thursday between Mr. Hata, Mr. Kaifu and a third candidate, Takashi Yonezawa, the chairman of the Democratic Socialist Party.
Both Mr. Hata and Mr.

mation of a broad-based party is the single-seat electoral system introduced under political Kaifu, former stalwarts of the Liberal Democratic Party, are reforms enacted in November, seen possessing the political credentials to lead the new parwhich works against small par-

(AFP, Reuters)

Mr. Hata was the last prime minister of the anti-Liberal

Democratic bloc that now

forms the core of the new party.

serving in the post for two months in mid-1994 before the

Socialists walked out of the alli-

ance and Mr. Murayama be-

The impetus behind the for-

came prime minister.

U.S. Reaffirms Link to Taiwan

The Associated Press TAIPEI - The U.S. secretary of transportation. Federico F. Peña, wound up a rare visit to Taiwan on Wednesday by promising closer ties with Washing-

Mr. Peña said he had reaffirmed the Clinton administration's commitment to strengthen economic and cultural relations between Taiwan and the United

China, which regards Taiwan as a renegade prov-ince, registered "firm opposition and strong displeasure" over Mr. Peña's visit.

ANNOUNCEMENTS

Attention visitors

from the U.S.!

If you enjoy reading the IHT

when you travel, why not

also get it at home ?

Same-day delivery available

in key U.S. cities.

Call (1) 800 882 2884 (in New York call 212 752 3890)

ALDEN. The finest American shoes. Available of WENBERG, the leading men's store in ZURCH, Balinhotse. 13. Phone 61-211 29 50.

FEELING low? — having problems? SOS HEIP cross-line in English. 3 p.m. 11 p.m. felt Ports-line in English. 3 p.m. 11 p.m. felt Ports-line in English. 3 p.m. 12 p.m. felt Ports-line in English. 3 p.m. 13 p.m. felt Ports-line in English. 3 p.m. 14 EDGHORD ANDNYMOUS English speeding neerings daily. Tel: PARS 11) 46 34 59 66, KOWE 679 66 00.

MOVING

North Korea Set to Get Promised Oil

ment of heavy oil promised to tons of heavy oil a year until the North Korea in return for its new reactors are built, by 2003. freezing its nuclear program In return, North Korea must will be delivered before the end open all its nuclear installations of December, a South Korean to outside inspections. company said Wednesday.

Honam Oil Refinery Co. said the U.S. Defense Department supply 50,000 tons of oil, worth 54.2 million, to North Korea before Dec. 30.

Under an agreement signed with North Korea in October, Washington is arranging to supply the North with two modern nuclear reactors in return for its halting operation or construction of reactors suspected of being used to produce nuclear weapons material.

Recent defectors from North Korea have reported acute fuel and food shortages in the recluhad awarded it a contract to sive Communist state. The an leaders of his concern.

for heating.

A Republican U.S. senator who has been critical of the ac-cord said he would travel to North Korea on Sunday. The senator, Frank H. Murkowski of Alaska, said he would be joined by Senator Paul Simon, Democrat of Illinois, in the first visit to Pyongyang by U.S. leg-

Compiled by Our Stalf From Dispatches

The deal also calls for the islators since the death in July SEOUL — The first shipUnited States to supply 500,000 of the longtime ruler, Kim Il

Speaking to reporters in To-kyo, Mr. Murkowski said he was worried that the agreement allowed North Korea to keep its existing nuclear installations secret for another five years. He said he would tell North Kore-

But Mr. Murkowski, who is expected to become head of the East Asia and Pacific affairs subcommittee of the Senate Foreign Relations Committee in January, also said the United States was committed to fulfill-

ing the terms of the deal. U.S. and North Korean negotiators met in Washington on Tuesday for talks on carrying



MANILA TRADE PROTEST --- A plainclothes policeman arresting a demonstrator Wednesday after protesters tried to padlock the U.S. Embassy main gate. The police used tear gas at the auti-GATT rally.

Plutonium Poses Risk At U.S. Storage Sites

New York Times Service

The plutonium, 26 tons in liquids, solids and powders at nuclear arms materials abruptly cause few thought the shutbeing stored in forms that can health problems.

environment, safety and health. Now, she said, radiation from the plutonium is breaking down leaked, prompting an extensive

to tear down both a monument

The skulls were collected by

Some containers are so old NEW YORK - American that no one knows the form of nuclear weapons plants have the plutonium inside. Lawrence thousands of containers of plu- Livermore National Laboratotonium that could spill their ry, in Livermore, California, deadly contents before the ma- has 282 such containers, of terial is properly disposed of, which eight are bulging because posing significant risks to work- of "unanticipated conditions," ers and some risks to the public, according to the Energy Dethe Department of Energy says. partment report, which was re-

leased Tuesday.
The study identified Rocky 13 sites around the country, was Flats, near Denver, as being the left over when production of most vulnerable, but also listed the Savannah River site near stopped in the late 1980s. Be- Aiken, South Carolina; Hanford, near Richland, Washingdown would become perma- ton, and other locations. The nent, much of the plutonium is report detailed 299 safety and

"Overall, the department's "The containers were really inventory of plutonium pre-only intended to hold the stuff sents significant hazards to until we got around to recycling workers, the public and enviit in the next weapons cam-paign," said Dr. Tara O'Toole, assistant secretary of energy for dress the problem," the report

The Energy Department is still working on plans to remetal and plastic in the con- package the material and said it tainers: several have already may take 10 to 20 years to find a long-term solution to the stor-age and disposal problems.

Tuol Sleng museum, once a

Khmer Rouge torture chamber,

features a cluster of skulls dis-

played in a map of Cambodia.

To subscribe in France

05 437 437

AGS Khmer Rouge's 1975-78 reign Khmer Rouge to end more than the brutality of the radical

OPPORTUNITIES

ASTON CORPORATE TRINSPES LTD. 17, Pael Kood, Douglas, Isla of Man Tel: 0624 626591 Fox 0624 625126 RUSH OFFSHORE COMPANIES USS250

INTERNATIONAL CLASSIFIED HONG KONG

COMPANIES US \$350

WEREIGN TRUST INTERNATIONAL X6, Peregrine Tower, Lippo Centre, 87 Queensway, Hong Kong TEL: + 852 868 5244 FAX: + 852 868 5995

OFFSHORE COMPANIES 750 BEADY MADE COMPANIES

BANK INTRODUCTIONS

ACCOUNTING LEGAL & ADMIN

ICS AND TRADE DOCUMENTATION

IELEPHONE & MAIL FORWARDING

elsphone or fax for attracticate serva and 100 page colour brachure OCRA ASIA LINNTED 24-02 Bank of America Tower Harrourt Road, Hong Keng Tel: +852 5220172 Fax: +852 5211190

HEISING. All business services, for its most forwarding. Corporations, agencies, prespecting and market research. For information fax + 3580-170992. BUSINESS TRAVEL

st/Basiness Class Frequent Traveller Worldwide. Up to 50% off. No cau pora, no restrictions. Impenal Conado 514-341-7227 Fax 514-341-7998. E-Mail #175@MUSICA.MCGRLLCA APPLETONS 186 Hommersmith Rd London W6 70J Tel 44 81 741 1224 Fazr 44 81 748 6558

CAPITAL AVAILABLE OFFSHORE BANK Class A unrestrated banks in tax free varue with offshore administrative services. US\$ 35,000. Limited number available. Immediate transfer. Call Canada (804) 942-6169 or fax (804) 942-6179 or London (97) 394 5157 or fax (97) 23) 9728 FUNDS AVAILABLE FOR
ALL BUSINESS PROJECTS
OR FOR
LETTIESS OF CREDIT
BANK GUARANTES
OTHER ACCEPTABLE COLLATERAL

BUSINESS SERVICES Braiger's compission guaranteed

Messieurs M. I.P.K.B. & Ge FINANCIAL INSTITUTION Brussals - BELGRUM formation by for 32-2-534 02 77 or 32-2-538 47 91 TELEK 20277 Save on International CONFRMABLE DRAFTS **Phone Calls**

Save 50% and more compared to local phone companies. Call from home, office, careven hotels (and avoid surcharges). Check our rates for any countries and see how you can start saving today.

Call us now and we'll call you right back!

Tel 1-206-284-8600 Fax 1-206-282-6666 Lines open 24 hours. Agents inquiries welcome!

∉kallback ستنته

AGENCE CHAMPS ELYSES Tel: (1) 42 25 32 25 Fex (1) 45 63 37 09

PARIS PROMO oportinents to rest furnished or not ses & Property Management Services Av Hocke 75008 Paris, Fax 1-4561102

Tel: (1) 45 63 25 60

CAPITALE . PARTNERS 6th, ARC DE TRIOMPLE rows

pad 6 tere fiving + bedroom ruly equipped, irreptone. FF6,000 net. Tel. (1) 42 56 18 67 16th, RBMA, STUDIO, 30 sc.m. in bequirul class building, new bothroom. F4,500, Tel. 1-45 04 22 65 jevennopi. PARIS AREA UNFURNISHED

MEART OF PARS. Listed historical building, charm, living on private gorden, 3 bedrooms, 2 boths, games room, FF18,000. Tel. [1] 30 61 46 26 NEURLLY, BOIS, METRO, 7 ROOMS, 160 sq.m. + moid's room, F17,600 + charges, Free now. Tek 1-39 52 77 75 STAY IN OHATEAU d'ODC. Six un Gatoed onea. Ret lo let for Christines & New Year. Dec 16 - Jan & Option to buy. Try our designatul flet in chamming Alpite Village. 3 twin bedrooms, 29 boths. \$74,200 oil in, Sole price on opplication. Tels before lunch [41] 29 46320. Fax [41] 29 45126 REAL ESTATE

SWITZERLAND

FOR SALE PARIS & SUBURBS

TROCADERO - MUETTE
On gardera, samy 2-room "pied à
terre" in kounous new Possy Picza.
Mere in kounous new Possy Picza.
Anneaires. FF2/40,000. Exclusivity
SERGE BONAMY Tal: 1-42 88 90 00

LEGAL SERVICES

2ND TRAVEL DOCUMENTS, legal, in-expensive. Free detals from 15A, Box 742. Darro Point, CA 9359, Tel: 714-647-246 or For 714-698-850 USA. DIVORCE FAST \$495. Certified by U.S. embossy. Call/Fass. 714 958-8695 USA. DIVORCE IN 1 DAY. No travel, Write: Box 377, Sudbery, MA 01776 USA. Tel: 508/443-8387, Fase 508/443-0183.

LOW COST FLIGHTS WORLD AVIATION - SCHEDULED RIGHTS, 1st, business, economy of lowest fores. Tel IFT Parts (1) 47551313

Herald Eribune

PLANNING TO RUN A CLASSIFIED AD?

Place your Ad quickly and easily, contact your nearest It-IT office or representative with your text. You will be informed of the cost immediately, and once payment is made your ad will appear within 48 hours. All major Credit Cards Accepted.

FRANCE (HO): Paris, Tel.: (1) 46 37 93 85, Fax: (1) 46 37 93 70.

Tel: (069) 72.67 55 Fee: (069) 72.73 10.

Tal.: (212) 752-3890 Tall free. (800) 572-7212 Tales: 427 175 Fax: (212) 755-8785 ASIA/PACIFIC

NORTH AMERICA

: KONG: . [852] 9222-1188. SINGAPORE: Tel.: 223 6478. Fox. [65] 224 15 66 Teles: 287 49. HT SIN

UNITED KINGDOM: London, Tel.: (071) 836-4802 Teles: 262009 Fax: (071) 240 2254, 419 Second Avenue West Sectifie, WA 98119 USA

BACKED BY CASH

CAPITAL SUPPORT CORP. U.S. (714) 757-1070 Fex 757-1270

REAL ESTATE

TO RENT/SHARE

PARIS AREA FURNISHED

Embassy Service

YOUR REAL ESTATE

AGENT IN PARIS

Tel: (1) 47.20.30.05

I Issued in Your Name
Confirmed by Major Int'l Banks
to Prove Availability of Funds
Backed by Private Investors

INTERNATIONAL RECRUITMENT

PORTFOLIO MANAGERS

Cambodians have been on dis-

play to testify to atrocities by

the Khmer Rouge, held respon-

sible for the deaths of hundreds

souls of those worked, starved

Excellent Commission Bonus

An outstanding career opportunity exists for an individual to join a dynamic stockbroking business which is now seeking to expand. The company offers a professional investment approach with extensive research material. The right candidate has an established client base and is prepared to contribute to the future development of the organization.

We offer a highly competitive remuneration package as well as a comprehensive range of bonus opportunities.

Applicants with E.C. status or EU working papers should mail or fax C.V.'s with cover letter to:

Brindenberg Securities A/S, Rådhusplassen 4, DK-1550 Copenhagen V. Tel: (45) 33938588 • Fax: (45) 33938587

ADMINISTRATIVE SECRETARIAL POSITIONS

Bi-lingual (French-English)

Office Assistant

The job: traied secretarial and office work, typing, structuring of presidence, preparation of presentation staterial, travel arrangements, seceing organization, management of the office communications, filing.

The working environments: Dynamic, manimational, stimulating. The offices are based at the outside of limit and deal with committee throughout the work.

Profile of the candidate:

Perior constant of spokes and written french and English, french or English mother tonger a plat. Working knowledge of Italian.

Personal Computer Stream:

Inordering of WORD for Windows, EACE, POWERFORM or computable application softwares.

Interpressed date:

Effective in dealing with people and communicating.

Refable, self-notivated, positive flushers.

Profile ment Streams (17 by Ministrational Teachers Thomas).

CLIFFORD CHANCE International Law Firm in Paris Seeks

ENGLISH MOTHER TONGUE

SECRETARIES

Fluent in both written and spoken Franch
 Excellent typing skills - Dynamic, flexible
 Computer literate (WordPerfect S.1)

Protessional Company, Leaves in its

AVAILABLE

Cambodia to Cremate Remains of Pol Pot Victims

mation is a step toward disman- dia created with them.

Though some fear that cre- of skulls and a map of Cambo-

The king, who has long called erroment wanted them to re-

PHNOM PENH - For 16 of terror. The group now is en- two decades of conflict, has re- Marxists.

years, the skulls of hundreds of gaged in guerrilla warfare peatedly urged the government

tling museums of the atrocities,

or tortured to death during the for reconciliation with the main forever as testimony to

against the government.

of thousands.

The Cambodian government following Cambodian burial backed Communist regime that tradition at the request of King seized power from the Khmer Rouge in early 1979. That government says it is metery backed Communist regime that tradition at the request of King Rouge in early 1979. That government says it is metery backed Communist regime that tradition at the request of King Rouge in early 1979. That government says it is metery backed Communist regime that tradition at the request of King Rouge in early 1979. That government says it is metery backed Communist regime that tradition at the request of King Rouge in early 1979. That government says it is metery backed Communist regime that tradition at the request of King Rouge in early 1979.

- RUSSIA / CIS 🗝 French citizen, perfect Russen and English, and depth practical introdedge of the country, valuable contacts and experience, currently employed with methrational company in Russa is looking for executive position with a company operating or senting to expand its activities to Russa AS. alable for interviews in Europe 23/12 - 06/01/95.

EXECUTIVES

GENERAL POSITIONS WANTED

Fax in England 44-71-793 13 23

25,000 Spanish Medical Students

seek the training that permits working in Europe.

more information, contact: Angeles Amadoz, Minister of Health.

EXECUTIVE POSITIONS AVAILABLE

MAJOR INTERNATIONAL LAW FIRM in PARS seeks an experienced, English mother langue, French to English LEGAL TRANSLATOR

Attal be fully quotified lowyer
with experience in business and
commercial low. Position on
in-house translation stoff.
Please send CV and over lotter under
reference 730/4 to OPSA - 2 rue
Mansago, 7500) Paris, who will transmit.

WANTED: international systems soles oriented salesperson to hondle or group of territories for a highly technical product. The person requires experience in hondling distributors and mast be myleilingued with English o necessity. Remuneration is a base solory with highly general commission versus performance ratio. For further safermedical contact Personnel: 32 56 404072

PERMANENT POSITION OPEN Big 6 firm in Paris seeling specialist in U.S. expanishs toxolion, Manaum 4 yoors experience. Native English speaker. Work permit for France. Call Mr. Johnson at {1} 41 26 40 59

EXECUTIVES AVAILABLE

HIGHLY QUALIFIED MANAGER attented in saidthe position. Experience in top level aronogeneral, industry, booking and france, international truda. Molinie. English, Romanian and Hebrew. Resea context: "Condidate", frar. + + 1772-9-51653.

HOTE DIRECTOR - French/American, sales reprogramm refined European Hotal, Resort, Choleou. 15 years USA honds-on management. Effective Soles/Morketing mathods. Results committed from USA 885/161-997.

CHALLENGING POSITION WANTED by young frenchman, mobile, during be enthusiastic Education in Int II Busness skills, 2 years experience in Int I ness stalls, 2 years experience in mil-excription & acherisms in USA Will consider any field. Face 133, 4761 1370

ENVIR UNAMICS A GOGCULOS PUMPS Company

Environamics, a subsidiary of Goulds Pumps, Inc., has developed a broad range of advanced chemical pumps, hermetically sealed centrifugal pumps, and mechanical seals based on several new paterized designs and revolutionary concepts.

Regional Manager

Contrifugal Pumps & Mechanical Socis This is an outstanding opportunity to join a dynamic, fast-growing organization managing sales and marketing activities for a significant geographical region and strong distributor network. The ideal candidate will possess several years' experience selling centrifugal pumps to the Chemical, Petrochemical, Refining, and Pulp & Paper Industries. A strong technical sales background, a BS degree in a technical discipline, and managerial skills are essential. Related experience with mechanical shaft seals is a plus.

Distributors

We are seeking exclusive Distributors in several countries to sell and service our unique, proprietary, patented pump and mechanical sealing products. Product lines include Chemical Process Pumps, API Pumps, and Hermetically Sealed Zero-Leakage Pumps, Pump Upgrade Systems, Mechanical Seals and Oll Mist Systems for industrial pumping applications. Please send resume to: Environamics Corporation, 19 Executive Drive, Hudson, NH 03051 USA; phone (603) 889-0200; fax (603) 889-2508.

GENERAL POSITIONS AVAILABLE

SAP R/3, ABAP in the U.S.

TelTech Corporation is a leading consulting firm in business for over 20 years, with on established reputation for technical supplished in a statement technical supplished in a statement of the statement of the

This trap was so successful that we are now planning a second trip to meet individuals with solid SAP R/3 experience, strong ABAP programming state & excellent command of English. This is an ideal opportunity to expand your correct horsons by working in the U.S. for an established, respected firm where you will recoive a position 8 solary touloned to fit your admitude requirements. Applicants from Germany 8 other CC countries are encouraged to apply. We will arrange convenient interviews in the near future. For further information or to schedule an interview, please soud/fax your resume to:

Ms. Paraelo Cianci TelTech Corporation Corporate Hacogorates 39 Broodway New York, NY 10006 Phone: (212) 514-5440 Fax: (212) 514-5204 USA

ENT'L ORGANISATION TECHNICAL WORKS SUPERVISOR TECHNICAL WICKLS SURVIVED IN For properties in and around Paris, including the supervision of a team of plumbers, belonicous, corporters & pointers, Good French & English are essented. Qualifications in building or quantity surveying would be an adventage. Sand CV & photo by Dec. 15 Bots No. 3782, LH.I., 92521 Neutity Cadex, Franco. BOLITIQUE MANAGER, Marain/Puris for import leasy goods store. Soles experience required, bilingual Franch-Foglish. Good solary + commission. Please send CV & letter to Box 3783, LHT., 92521 Neully Codex, France.

The state of the s

ASIAN REPRESENTATIVES

A major source of electrical & hard-wore products on the West Coast of the United States is seeking to establish larg-term relationships with individuals or componies in the Pacific film. We are looking for apportunities to broaden our existing import base. There is a potential for import of 15 million (USD) per year.

Areas of apportunity include their product categories: Tools (power & hond)

I toolstryl controls

Date signal voice

Commercial light fixtures

Lamps

For more information, please send a resume and/or personal background to: Plath Blackite Company Attention: Dove Currier P.O. Box 3167 Portland, OR 977208-3167 Fax: 503-526-5205 USA

INIT! CAREER OPPORTUNITY
We are an init PESS & ADVERTISING
AGENCY seeing sales coordinators.
Ideally you are:

Between 24 and 30 years old.
Excellent appearance.
Excellent constant of English, French and Invividage of Spanish.
Dynamic, extrevet, contained, opi-matic, extrevet, contained, opi-matic, extrevet, and producted.
Prepared to travel 10 months a year with residency and extended stoys in different countries.

No experience or soles necessary.

No experience in soles necessary. isted of over the worke and a remand-ing solory.
If you think you have the drive and are ambitious amough to take the challenge, we would like you to send us your CV logather with a recent photograph promptly to:

"A MCA. c'o NOA 91, EUE DU PEG ST HONORE 75008 PARIS

GENERAL POSITIONS WANTED TREMINGUAL Chinese/English/French female based in Pars is looking for full time position in companies or as-sociations working with China, Travion or Hong Kong, Fee (33-1) 42 23 18 36

The Product Development and Design Center of the Philippines a technical agency of the Department of Trade and industry invites

PRODUCT SPECIALISTS FOR FURNISHINGS - HOME ACCESSORIES

under the Product Specialist / Local Counterpart Program. The project will provide manufacturers with market information; establish product development strategies and directions and develop and implement appropriate work programs.

The Product Specialist must have sufficient work experience in design. product development or marketing directly related to turnishings - home accessories for the international market with Philippine manufacturers or similar suppliers; with effective communication skills and willing to work in different areas of the Philippines.

Interest parties may request for the project terms of reference and submit their intent not later than 15 December 1994 to:

Executive Director, Product Development and Design Center of the Philippines CCP Complex, Roxas Boulevard, Pasay City, 1300 Philippines Telephone Numbers (632) 832 11 12 to 19 Fax Number (632) 832 36 49

22 YEAR OLD GERMAN LADY WITH FLUENT ENGLISH AND RENOY, EXCELLENT SCOTTABLE, SOLLS, DRYNNG INCENCE, HARDWORKING, WITH GOOD SENSE OF HIMOR S LOOKING FOR A FULTIME POSITION IN LONDON, FAX/ PHONE (1)049-8387-22046

GERMAN SPEAKING AMERICAN College groduate with Irish pass, living in northern Germany, seeks position with international company in turope. Willing to relocate Please coll. J. Crowley. + 49-471-418124.

The American University

Seeks a LANGUAGE PROGRAM ADMINISTRATOR Condidates should hold on AMA and/or a recognised diploma in TESCI, or Linguistics, have administrative experience, be billingual English/French, and hold a valid Franch work permit.

Send CV to: Mrs. Alleis, 20 ovenue Ropp, 75007 PARIS

OLIALIFIED TEACHERS OF BNGLISH with driving Rearise required. Frace to start now. Tel: 1-42 64 76 24 Paris.

EXECUTIVE SECRETARY, Buest French

FRENCH WOMAN
seeks secretated or receptiones position
evenings or weekends - Paris,
fluent English, international expenience.

SECRETARIES AVAILABLE

FINANCE DIRECTOR Germany, Manufacturing & Marketing

Our client is a major subsidiary of a leading multinational specializing in electronic controls and components. Following acquisition, they have a unique opportunity for an experienced CFO to implement and refine financial controls and operating procedures within a 600 people world wide operation. Experience of multinational control and reporting procedures is essential. Candidates must be fluent in English and German and have specific knowledge of English and German Accounting and treasury practice.

For more details in confidence, send CV/fax to the consultants, Ref.: 255 Thorburn-Geiger Group, POB 1225, 1001 Lausanne, Switzerland, Fax: + 41 21 6161042.

Regional Manager SEA **Analytical Instruments**

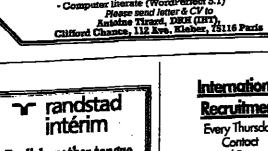
Our client is a world leading manufacturer of wide range of products. They have a uniquely interesting and challenging position in Singapore.

ideal candidates will be aged around 40 years, have an engineering/science degree plus MBA or equivalent commercial experience and at least 3 years in the South East Asian region and experienced at managing a territory of distributors and direct sales. Career prospects are excellent.

For further details mail/fax urgently CV quoting Ref: 356 to: Thorburn-Geiger Group, P.O. Box 1225, 1001 Lausanne. Switzerland Fax: (41) 21 616 1042

SECRETARIAL. POSITIONS AVAILABLE

SECRETARIES AND ASSISTANTS needed for international componies in Paris, English mother tonque with some French or perfectly blingspol. Apply to. GR Intern. 12 rue de la Pass, 75002 Paris, metro Opara, Tel. (1) 42 61 82 11 (ask for Sophie). MINERYE SEEKS for AMERICAN PRIMS in PARTS: 422, time Scient Howeve 75008 Paris, France Tel: (1) 42 61 76 76



English mother tongue. Secretarial Experience. Apply in person: 18, rue de la Pépinière,

75008 PARIS

Recruitment Every Thursday Contact

Fred Ronan Tel.: (33 1) 46 37 93 91 Fax: (33 I) 46 37 93 70 or your necrest iHT office

or representative

International

Europe Dithers

Six months ago, this was supposed to be Europe's time of decision. Germany's presidency of the European Union in the second half of 1994, followed by France's in the first half of 1995, would see the Union's two main powers set Europe on its road into the new century.

It has not happened. When the Union's leaders meet in Essen on Friday, near the end of Germany's time at the top, it will be seen that neither of the two chief things that needed to be done is in fact being done.

One was the obligation to throw open the doors. The European Union is either a Europe-uniter or a Europe-splitter. If it is not to be a splitter, the new democracies of ex-Communist Europe have to be given a clear idea of how they can win full membership.

The Essen summit will consider a vague paper on the subject. But it does not know where the money will come from to turn paper into reality. The Union's southern members will not pay the cost of this eastward expansion unless they get the money they want for a plan to help North Africa - a combination that would reach deep into the pocket of the Union's increasingly reluctant chief paymaster, Germany.

Worse, the paper does not say how the Union is to change its farm policy in order to admit the new eastern members. This is a fatal flaw. Good, cheap food will be one of the easterners' chief

exports to the rest of the Union.

The Union must therefore accept drastic cuts in its present members' farm production, or bust its budget by paying out even more in subsidies. Until it faces up to this, its talk of eastward expansion is so much hot air.

The other great issue that looks likely

to be brushed under the carpet in Essen is Europe's future constitution. This is a subject that could break the French-German axis, and thereby change the shape of Europe's future.

Some of Chancellor Helmut Kohl's chief colleagues have lately been repeating, presumably with Mr. Kohl's approval, that in their view Europe must become a single, federated state. Even a single currency, one of them has said, necessarily points to political union. These are risky things to say in Germany, where a Financial Times opinion poll this week suggests that only 24 percent of Germans want a single currency and only 23 percent want closer political union. And it has had an explosive consequence in France, where Prime Minister Edouard Balladur felt it necessary to say in Le Monde on Nov. 30 that an enlarged Europe cannot be a federal Europe.

The matter could conceivably decide France's coming presidential election. If Jacques Delors chooses to run as the Socialist candidate, his likeliest opponent is a man who now seems to think that skepticism about a federal Europe is a vote-winner. If Mr. Delors does not run, no other Socialist seems likely to keep the presidency in federationfriendly hands. The consequences could extend far beyond France. The pattern of European power would change, if France and Britain combined to back the idea of a looser, confederal future against the German federalists.

Yet the subject is not on the agenda in Essen; it can be discussed only in snatched moments between official sessions. Europe has once again looked the future in the eye, and blinked.

INTERNATIONAL HERALD TRIBUNE

Ambushed in Budapest

Bill Clinton's European cares blossomed in Budapest. He had gone there to explore the security uses of the 52-nation talk shop known as the Conference on Security and Cooperation in Europe. Twice he was ambushed. The president of Bosnia delivered a tirade against "the weakness of the West." The president of Russia professed to find an echo of the Cold War in NATO's efforts to bring in Central Europeans.

In the past the CSCE steadied postwar borders and legitimized global discussion of Soviet-bloc human rights. But at Budapest it could move only partway to take on peacekeeping in Armenia/Azerbaijan as the first security test that many mempers favor. Most members dragged, being no more eager for costly intervention in Nagorno-Karabakh than in Bosnia. Russia also dragged, not winning its goal of CSCE sponsorship of Russian peacekeeping but not permitting CSCE control of CSCE peacekeeping either.

Bosnian President Alija Izetbegovic, in his complaints about American policy in particular, works to widen a growing split. The Democratic administration is now pursuing an ally-oriented "peace strategy," which critics see as appeasement. Newly ascendant Republicans promise a battle-oriented, get-even policy that the administration calls an invitation to open-ended war.

Each policy line promises more than it can deliver. The best available course would borrow from both sides. United Nations ground peacekeepers, whom Serbia has made hostages against NAT() bombing, had best be with-drawn. That would create a humanitarian nightmare, but it would let NATO make a new decision on use of air power -a decision on which it would need to consult Russia. The Muslim-led Bosnian government would have new access to arms but would be pressed to stay at the negotiating table all the same.

At Budapest, Boris Yeltsin strenuously objected to NATO enlargement. A year ago the "Russia-first" tendency of U.S. policy might have guided Washington. but it has come to support eventual ad-mission of the Central European democracies. Part of this stiffening flows from Russia's one-sided 19th-century type of tilt to the chief aggressors, the Serbs.

Many Russians are confused and anxious about NATO expansion, or still gripped by the mental habits of empire. They need to think about it harder.

They also need to be assured and shown that expansion can reduce uncertainty in a hypersensitive part of now independent Europe and that the resulting continental poise would benefit them as well as others.

- THE WASHINGTON POST.

Bentsen Will Be Missed

Treasury Secretary Lloyd Bentsen's resignation is bad news to a battered White House. Mr. Bentsen knows best what the administration desperately needs to learn: how to deal with a Republican-led Congress. His consistent voice for policy moderation will be missed among a chorus of advisers who remain befuddled about what the voters meant when they rejected the Democrats.

Mr. Bentsen's clout on Capitol Hill was important to Bill Clinton's major legislative victories. He fought hard within the administration, and then in Congress, for a budget that would cut the deficit and raise spending on training and education — beating back advice from White House pollsters who pushed Mr. Clinton to promise a tax cut that he knew the government could not afford.

He also overcame bad advice from Democrats like the majority leader, Richard Gephardt, and independents like Ross Perot to scuttle the North American Free Trade Agreement with with Mexico and Canada.

And he rounded up desperately needed votes in the Senate last week for the GATT trade agreement.

Mr. Bentsen marshaled votes against a balanced-budget amendment that, among other glaring faults, would have stymied the government's ability to fight off recession. He also deserves praise for refraining from taking cheap shots at the Federal Reserve Board for raising interest rates as the economy grew at a rate he knew was unsustainable.

Mr. Bentsen did not always win. His advocacy of a politically feasible health care bill lost out to First Lady Hillary Clinton's grander plan.

And at times he carried caution too far. He did not push for ambitious policies — overhauling the tax code, for example — that could address profound economic problems like the nation's stagnant productivity or its pathetically low savings rate. Mr. Bentsen has thus left a void that the Republicans intend to fill, unfortunately, with tax policies to reward the rich and punish the poor.

Robert Rubin, another fiscal moderate, who runs the president's National Economic Council, will be nominated to replace Mr. Bentsen. He is a wise choice; as one administration official observed. Mr. Rubin, the wealthy former head of Goldman Sachs, has the "highest ratio of money to ego" in Washington. He is a seasoned financial expert who wins poli-cy fights without bruising the feelings of

his White House colleagues.

But even if Mr. Rubin counsels his president well, he will find it hard to replace Mr. Bentsen in one respect. Mr. Clinton will have lost the one cabinet secretary who came with built-in credibility in Congress.

- THE NEW YORK TIMES.



International Herald Tribune ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

RICHARD McCLEAN, Publisher & Chief Executive JOHN VINOCUR, Executive Editor & Vice President

• WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors . CARL GEWIRTZ, Associate Editor ROBERT J. DONAHUE, Editor of the Editorial Pages . JONATHAN GACIE, Business and Finance Editor • RENÉ BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director ■ IUANITA L CASPARI, International Development Director
 ■ ROBERT FARRÉ, Circulation Director, Europe

Directeur de la Publication: Richard D. Simmons Directeur Adjoint de la Publication: Katharine P. Darrow

International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly-sur-Seine, France, Tel.:(1):46.37.93.00. Fax: Circ., 46.37.06.51; Adv., 46.37.52.12. Internet: IHT@eurokom.ie

Editor for Asia: Michael Richardson, 5 Camerbury Rd., Singapore 0511, Tel. (65) 473-7768, Fax: (65) 274-2334 Mng. Dir. Asia, Rolf D. Kronepuld, 30 Gloucester Rd., Hang Kong, Tel. 852-9222-1188, Fax: 852-9222-1190. Gen. Mgr. Germany: T. Schlüter, Friedrichter, 15, 60323 Frankfurthd. Tel. (069) 72 67 55. Fax: (069) 72 73 10 Pres.U.S.: Michael Couron, 850 Third Ave., New York, N.Y. 10022, Tel. (212) 752-3890, Fas: (212) 755-8785 U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (071) 836-4802. Fax: (071) 240-2254. S.A. au capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337 © 1994. International Herald Tribune. All rights reserved. ISSN: (1294-8052.



And the state of t

The New Job for NATO Should Be Security Eastward

DARIS - One would think the Conference on Security and Cooperation in Europe complementary to NATO rather than rival. Its purpose is to assure a dialogue between Russia and the other former Soviet countries and the nations of the Western alliance. It was created in the course of the Cold War's winding down, an element in the detente that broke out when Mikhail Gorbachev launched his reforms of the Soviet system.

The practical importance of the CSCE is not great, since the organization does not actually do very much other than talk, and must have a consensus of views to be able to do anything at all.

NATO does do things: It deploys armies, conducts air and naval operations, is capable of going to war. It is exclusive. It is a security alliance, originally directed against Russia, which now contemplates admitting that country.

The CSCE is inclusive. It makes no invidious distinctions between nations. It is valued by Russia precisely because it does not draw a line between vulnerable countries anxious about their security, and those others thought to be possible future threats to good order in Europe.

Should such invidious distinctions be drawn? If not, it is hard to see why NATO should exist. Its past role was to defend the West against the Soviet Union, and there is no more Soviet

7AGREB, Croatia — Now

world that the war is over. Even

former friends of Bosnia are join-

ing the chorus, the latest being

George Kenney, the Foreign Ser-

vice officer who resigned from the

State Department in 1992 in pro-

test against U.S. policy in Bosnia.

last Friday, Mr. Kenney argued

that the Bosnian government has become a "hard-line, anti-demo-cratic Muslim entity," and that

the United States should disabuse

the "Muslims" of their "irratio-

nal and dangerous belief that the

West will eventually come to

their rescue." Mr. Kenney has

In a commentary on this page

By William Pfaff

Union. It recently undertook a new role as the strong arm of United Nations peacekeeping in Bosnia. But this has led to confusion and frustration - to the humiliation both of the United Nations and of NATO - and has done little to produce or "keep" peace.

So what is the purpose now of NATO? There would seem to be two possible functions for the alliance. The first is its classic role: to defend its members against a renewed threat from the east, should that come. As Russians themselves acknowledge, their country remains unstable. There is some danger of reversion to a belligerent nationalism, and conceivably - if we are to take seriously the threats of Vladimir Zhirinovsky, a man who wants to be Russia's president — of renewed aggressive be-havior toward Russia's neighbors.

Much of the debate over NATO takes place in terms of an argument that says admitting Russia to NATO will strengthen democratic forces there, while to exclude it would strengthen undemocratic nationalists. This reflects the dangerous assumption that foreign influences are determinant in what happens to Russia. Surely what happens in Russia's inter-nal political affairs during the next few

years will be determined by internal forces. It is rash to think otherwise. Russia's relations with the West have already been soured by the interference of wellintentioned Western governments and individuals who think that they can, or should, teach Russians what to do. The NATO affair is a factor in influencing Russian popular and elite opinion, but

only one factor among many.

The other function of NATO is to guarantee the security of its internal as well as external frontiers, assuring the peaceful conduct of its own members. This is a role extremely valuable to Russia, as well as to the United States. Western Europe and the Central and East European countries now candidates for NATO membership. In the foreseeable future, the threat to peace does not come from beleaguered Russia — whatever the scenarios envisaged by some Western commentators — but from instability born of ethnic nationalism in the region.

In a fundamental way, it was very easy for NATO to protect the West against the Soviet Union. The goal was clear. The means were available. Everyone believed in the necessity of the alliance. The public would pay, and willingly sent its young men into NATO service.

But today one must ask if the Western governments are prepared to deal with instability in Eastern Europe. Will they really guarantee Hungary's borders, when Hungary has old and acrimonious quarrels with Serbia, Slovakia and Romania over the status of Hungarian minorities in those countries? Is the United States prepared to accept that any violation of Poland's frontiers is equivalent to an attack on its own frontiers? Are Britain, France or Germany so prepared?

The

To the state of th

No.

.

12.

7.7

:<u>-</u>--

Tire .

murr T Terr

NOB(1) - - -

SI---Island

I think it would be prudent and wise for Washington, London, Paris and Bonn to say "yes." But I am not sure than this decision would have popular support. I favor such a guarantee because I think it serves Russia's interests, too. Western-guaranteed stability on Russia's western borders is a very good idea.

Russia has need of an orderly Central and Eastern Europe. So does the West. NATO can provide that. It certainly has a better chance of doing this than it has of influencing Russia's internal affairs.

NATO does have an important future role. It is to extend its system of international solidarity eastward, on terms that guarantee the mutual respect of its members for one another's interests, and respect of their commitment to negotiation and the peaceful adjudication of conflicts. If it succeeds in that, it stabilizes the geopolitical terrain that Russia occupies, and that is good for everyone.

International Herald Tribune. © Los Angeles Times Syndicate.

The United Nations and NATO Have a Responsibility to Save Bosnia

By Charles A. Forrest

that the Clinton administradecided that "the West should tion has apparently decided to make the Bosnian government join with its European allies to settle against its wishes." appease Serbian aggression, efforts are under way to persuade the Bosnians and the rest of the

Having myself spent the last eight months in Sarajevo as a member of the United Nations Protection Force, and having now submitted my resignation after the force's craven refusal to protect the "safe area" of Bihac, I can sympathize with Mr. Kenney. But that is no reason to condemn Bosnia to death.

Despite the setbacks in Bihac. Bosnia is not dead yet. Even Bihac is still holding out, two weeks after Lieutenant General Michael Rose, the UN force's commander in Bosnia, decreed that it could not be defended.

If the "Muslims," as Mr. Kenney calls the Bosnian government, still cling to an "irrational belief" that the West should protect them, it is because a dozen Security Council resolutions and the absolute moral principle that aggression and genocide cannot be tolerated require that the West should.

And the Bosnian government is not, by any stretch of the imagination, a "hard-line, anti-democratic Muslim entity."

Faced with the prospect of having their country divided between Croatia and Serbia, the Bosnian Muslims have naturally sought their own identity. Any expression of this identity is seized upon by the Serbs and their allies in the West, particularly in France, which fears the growth of Islamic fundamentalism in Europe, as evidence that the Bosnian government is headed for Iranian-style repression. But there are still Croats and Serbs in the Bosnian government, and official policy is still the maintenance of a multiethnic, multireligious society.

The Bosnian Serbs do not even pretend that the ideological foun-

dation of their "state" is anything but pure racism. They offer the non-Serbs in their territory nothing but the prospect of deportation or death or a permanent sta-

tus as subhumans. If Sarajevo surrenders, there will not simply be a change in government, there will be killing and "ethnic cleansing" on a massive scale. The correct response to Serbi-an attacks on the "safe areas" and Serbian harassment of the UN force is not to back down or pull

out, but for NATO and the UN force to strengthen their resolve. The crisis facing the UN force today is the result of its policy of refusing to respond to Serbian provocations.

Last month, when the Serbs started massing forces for an at-tack on Bihac, General Rose did nothing. Two weeks before the Serbs pushed to the edge of the "safe area," he predicted that Bi-hac would fall. Only when it was too late to make a difference did the UN force act, calling in NATO air strikes against an airfieki and surface-to-air missiles but not against the Serbs' heavy weapons.

I have heard General Rose exress contempt for the Bosnians. l believe he felt that Bihac doserved to fall because the Bosnians had dared to launch an attack against the Serbs from the pocket. Obviously, the result of the illconceived Bosnian attack has been disastrous. But after six months without the arrival of a single humanitarian aid convoy, it is easy to understand the despera-tion felt by Bihac's defenders.

Despite the UN force's inaction, Bihac, Gorazde and Sarajevo are still "safe areas" declared by the Security Council. The UN Protection Force and NATO still have an obligation to defend them.

Instead of planning for withdrawal — a logistic nightmare that would undoubtedly result in many casualties and possibly set off a wider Balkan war - the force should accept the responsibility of calling in NATO air power in a timely and preventive fashion. There really is no other option.

The unwillingness of General Rose and Yasushi Akashi, the senior civilian UN force official, to use NATO air power was ostensibly motivated by concern for the safety of the UN force's personnel. But by refusing to use this tool they have endangered their personnel and the people living in the "safe areas." The mere threat of air strikes

was enough to stop two years of shelling of Sarajevo. So the UN force should have recognized the power of the weapon at its disposal. By making clear that it would not be used, or would be used only in a symbolic fashion, the force threw away its own protection.

Once Britain and France accepted the principle that their troops in Bosnia were hostages to the Serbs, they embarked on a long road of appeasement.
Suggestions that Bosnia should

give up, and that America should cooperate with European appearement, will not solve the problem or end the carnage. All they will do is condemn a member state of the United Nations to extinction, condemn thousands to death or exile, and condemn the West to repeat the history we thought had finally ended.

The writer, an American, was liaison officer at the UN Office of the

- Gaddis Smith, director of the Yale Center for International Studies, writing in the Los Angeles Times.

1894: 'Salon du Cycle'

cles, bi and tri, otherwise known as the Salon du Cycle, in the Palais de l'Industrie, was formally opened yesterday [Dec. 7]. The show is, of course, highly interesting, and many splendid machines are on view. But there is no striking novelty, save except the bamboo frames, which reduce the weight of a substantial bicycle to about sixteen pounds. Decidedly bamboo has a great future in store if it can be relied on for solidity, which yet remains to be proved. However, none of the petroleum cycles, about which there has been so much talk, are in the exhibition.

LONDON - Great controversy is raging over the anti-snobbery

Special Coordinator for Sarajevo until his resignation on Monday. He contributed this comment to the International Herald Tribune. IN OUR PAGES: 100, 75 AND 50 YEARS AGO schools of England. Eton and Harrow seem the chief victims. because smartness in dress, including the proverbial top-hat, signify snobbery to the "plebs" who are incapable of judging the

conceit and pose on the other. 1944: Russians Rescued

difference between manners and

refinement on the one hand and

STRASBOURG, France -[From our New York edition:] The Civil Affairs office of the United States 7th Army saved from starvation today [Dec. 7] 115 Russian girls and boys whom the Germans had dragged out of Ukraine two years ago and used as slave workers in Germany and Alsace. The Russians, who were discovered by a group of war correspondents, had received no rations for two weeks. Their existence was not

Not by Dropping Bombs By Misha Glenny CTOCKHOLM — As shells

How Can the West Help?

Continued to fall Monday in the Bihac region of Bosnia - just 500 kilometers from Budapest, edonia in the south. where the Conference on Security and Cooperation in Europe was meeting -the United States, Britain, France, Germany and Russia were trying frantically to establish a unified, coherent and effective policy on the Balkan crisis.

But there is no good, just or safe solution to the hot war in Bosnia and the frozen war in Croatia. The world's options range from very bad to disastrons. The five-nation contact group

is confronted with a bill that keeps rising. The costs stem from grave diplomatic and political errors committed after the Yugoslav federation collapsed in 1991.

The following are some of the possible consequences: a complete carving up of Bosnia-Herzegovina between Serbs and Croats; a full-scale Balkan war; dissolution of NATO; collapse of U.S.-Russian cooperation, leading to the throttling of the United Nations Security Council's ability to regulate international crises; re-establishment of the hostile division of Europe.

If the world accepted the advice of Senator Bob Dole and former Prime Minister Margaret Thatcher, these consequences would be likely to close in on us like a garrote.

To offer large-scale military support to the Bosnian government would trigger a ferocious response from Belgrade. It would also place nearly intolerable strains on the fragile peace that has existed since January 1992 between Croats and Serbs in Croatia.

Britain, France, Germany, Russia and now President Bill Clinton are firmly against going to war on behalf of the Bosnian government because they are convinced that this would threaten stability in Southeastern Europe.

And the withdrawal of UN troops from Bosnia that Newt Gingrich has suggested would cause untold suffering. The Bosman government would understandably attempt to confiscate all UN equipment, including heavy artillery. The Serbs, who fear that a pullout would preface large-scale air attacks, would prevent a withdrawal by force if necessary. NATO would then be compelled to engage in bloody

And once the UN is gone, not only will civilians in Bosnia lose their access to aid, there will be nothing to stop a tremendous escalation in the fighting.

battles to secure the pullout.

The British and the French are now openly considering a withdrawal, and the UN's patience is running very low. In an unprecedented outburst.

Thant Myint-U, a UN spokesman in Sarajevo, has accused the Bosnian Serbs of effectively waging war against the peacekeepers.

A full-scale Bosnian and Croatian war in the north would place tremendous strains on Mac-

One of the Clinton administration's unsung foreign policy successes has been its stabilizing influence on the southern Balkans. By using skilled backdoor diplomacy and cooperating with the United Nations in Macedonia, where 500 American marines are stationed as part of a UN peacekeeping force, Washington has helped to ensure that the myriad disputes between states in the re-

gion have not erupted in violence. As for Bosnia, the contact group's policy hardly inspires confidence. But the group has found a most unlikely ally in Slobodan Milosevic, Serbia's president. His commitment to the peace plan is genuine because Serbia's economic and political isolation is beginning to undermine the only goal he holds dear:

his domination of Serbia proper. But this onetime master puppe-teer, who nurtured the Serbian nationalists of Bosnia and Croatia, is no longer able to force his proteges to sing and dance to any

tune he chooses to play. Radovan Karadzic and the rest of the Bosnian Serbian leadership would agree to a revised peace plan, but only if they received the Muslims' eastern enclaves of Gorazde, Srebrenica and Zepa, a widening of the strategic Posa-vina corridor in the north, and

part of Sarajevo. Can the West afford to make further concessions to the Bosnian Serbs now that it has allowed itself to be humiliated?

The partition of Bosnia has already taken place, thanks to the March 1994 Washington agree-ment, inspired by President Clinton's team, which established a confederation between Croatia and the Muslims and Croats in Bosnia. It is illogical now not to give the Bosnian Serbs a similar

relationship with Belgrade. So the contact group must hold on to its position and apply all possible pressure on the Bosnian Serbs to come to a deal. This it can do only through Mr. Milosevic,

The international community must impress upon President Milosevic that unless he can persuade Bosnian Serbs to say "yes" to the contact group's peace plan, there will be no lifting of UN sanctions against Serbia. This is perhaps neither honor-

been guided by neither honor nor intelligence in this crisis. Perhaps those of us working in the Balkans have become jaundiced beyond rational thought. But I no longer see a way out. I see only dark times ahead.

able nor even probable, but the

international community has

The writer, author of "The Fall of Yugoslavia," contributed this comment to The New York Times.

Protect Protectors Who Don't Protect

THE most succinct summary of the British government's absurd position on Rosma runs like this: The Rosmans cannot be allowed position on Bosnia runs like this: The Bosnians cannot be allowed to protect themselves, because this would endanger the troops sent there to protect them but who failed to do so.

The British government's position involves another absurdity: that we should not only abandon the legitimate government of Bosnia to its fate, but we should do all in our power to prevent the Americans from coming to its aid, even at the price of a catastrophic trans-Atlantic rift. We are left with the truly bizarre fact that while there is no political will in Britain to save the Bosnians from aggression and ethnic cleansing, there are great hidden reserves of political will and invective

to prevent the Americans from doing so. - Brendan Simms, director of studies in history, Peterhouse,

Cambridge, writing in The Independent (London). This European Disunion Is Costly

E UROPEANS are painfully aware that their priorities are increasingly divergent. Around France, countries to the south are looking across the Mediterranean to the Maghreb with growing sense of vulnerability and fear. Countries to the north, around Germany, are giving priority to the enlargement of the European Union in East-Central Europe.

On Bosnia, Europeans have exposed their divisions (rather than sending them), their lack of political will, and their failure to perceive the moral and symbolic cost of overcautiousness in the face of suffering of other Europeans. They have not been able to count on Americans to stop the fighting. Worse, the protracted war has strained and divided the Atlantic alliance.

Europeans are ultimately the only ones responsible for other Europeans. Although it cannot be calculated, the cost of nonintervention is proving higher than that of interference.

- Dominique Moisi and Michael Mertes, writing in Foreign Affairs (New York).

aggression in Bosnia, or that do-

mestic political constraints in

the United States and the other

NATO countries are insurmount-

able, or that the United States

and Western Europe should not

risk discord with Moscow, or that

the United Nations is the prob-

requires that leaders, parliaments

and general publics be aware of

how their counterparts in the

1930s behaved, and with what

Rejecting fatalistic arguments

lem and not the solution.

consequences.

Who Says It's Too Late to Save Bosnia?

T HIS sickening situation is of the fatalistic arguments that it is too late to save the victims of the pitiful and portentous failure of the League of Nations, prede-cessor to the United Nations, and of major governments to deal with aggression, violence and contempt for international obli-

gations in the 1930s. Those who would dismiss the tragedy in Bosnia as of no consequence except to the Bosnians should be required to study the earlier disgrace and ponder its

consequences. Ten or 20 years from now, the failure in Bosnia may be recalled with the same despair as were the events of the 1930s, during and after World War II. The historians of the next century may write that the triumph of Serbian aggression, confirmed by the with-drawal of NATO and UN forces and by the incoherence of U.S. policy, was a dark turning point.

They may have to write that Bosnia was followed by the selfdestruction of the United Nations as an instrument for the prevention and punishment of aggression, and the return of the United States to irresponsible isolationism. They may have to chronicle a succession of Bosnias perpetrated by people ready to find rewards through killing, with violence spreading across Eastern Europe, the former Soviet Union, Africa and the Middle East violence employing ever more destructive weapons.

The first step toward a resolution in Bosnia should be to take all necessary steps for the fulfillment of the peace plan proposed earlier this year by the United States, Britain, France, Germany and Russia - and accepted by the Bosnian government. This means resolute rejection PARIS - The exhibition of cy-

1919: Fancy Schools

receive:

.---

- - -

campaign of the great public known by any authorities.

WASHINGTON — Why are Al Gore's approval ratings consistently higher than those of Bill Clinton when the vice president faithfully reflects the policies and predilections of his president, allowing not a sunbeam of difference to

separate them? I did not put the question directly to Mr. Gore in a conversation the other day. He is obviously too modest, and/or too smart, to compare himself to his boss in an interview.

But it hovered at the edge of our talk. As Mr. Gore spoke, a hypothesis that needs vigorous testing suggested itself: He has developed an abili-

In many ways this deft young politician is the polar opposite of his boss.

ty to take strong positions on cutting-edge issues without making himself the center of the argument. In that respect, this cheerful, can-do youthful Southerner is the polar opposite of the moody, beleaguered youthful Southerner he serves.

Mr. Gore has over the years carved out the global environment, population control and the empowerment of women as his issues. This agenda would seem in this time of the "angry white male" to risk having its champion tarred as kooky or radical. Such at least is the conventional wisdom after the Nov. 8 Republican congressional victories.

But Mr. Gore, who fashioned a surprising consensus with the Vatican on population stabilization at the United Nations Population Conference in Cairo in September. softly says that the administration is not going to retreat an inch on its population stabilization programs. Nor will it yield on its commitment to helping other countries move toward three interrelated goals: giving women more power over deciding family size and other issues, increasing child survival rates, and providing "culturally appropriate" birth control and contraceptive knowl-

edge, devices and techniques.
"What emerged from the Cairo conference was a more sophisticated intellectual agreement on the true nature of the challenge," Mr. Gore said. "The world has acknowledged there is a systemic problem" that requires simultaneous efforts in the Third World "to shift from high birth and death rates to low birth and death rates."

"I know there are some Republicans who strongly agree with policies that are consistent with these goals," Mr. Gore said, mentioning Representative John Porter of Illinois and Senator Alan Simpson of Wyoming method of family planning.

By Jim Hoagland

"There is also a determined minority population growth."

every 10 years," Mr. Gore added. "And I imagine those who voted for Proposition 187 in California this not afford to add another Mexico state aid to illegal immigrants.

Birth control "is not seen as a woman's issue," the vice president asserted, rejecting the idea that the swerve to the right by male voters on Nov. 8 represented a political repu-diation of the gender-oriented views espoused by the president, Hillary Rodham Clinton and himself.

Then the angry white male vote was not a reaction to the administration's commitment to the empowerment of women? "I don't think it is. in this context." Mr. Gore replied. In any other context? He paused and spoke with even greater care: "I'd like to think not. But I would want to reflect on that." It may contain some expression "of resentment over our efforts to remove historic discrimination."

The Cairo conference's final declaration on population stabilization was the first such document that the Vatican did not dissociate itself that would want to eliminate these from, a result that had something to programs." But that minority will do with Mr. Gore's conciliatory aphave to contend with "an American public that strongly supports a sensible and effective policy to stabilize role that he is taking on in foreign affairs. While in Cairo, he held sub-The "vast majority" of Americans stantive talks with President Hosni "knows that it is unsustainable to add Mubarak of Egypt that established a a China to the world's population bilateral commission similar to the one he established last year with Russian officials.

صكذا من الاعل

Mr. Gore leaves Tuesday for a year would argue that the world can- four-day visit to Moscow. He has a good personal relationship with every year." Proposition 187 restricts Prime Minister Viktor Chernomyrdin, with whom he speaks on the telephone every two weeks or so. He also went through a long list of projects he is working on in Latin Ameri-South Africa and elsewhere.

I feel very good about it." he said when I asked about his growing for-eign policy role. Quickly, however, he moved the spotlight away from himself: "I am only one of the people in the administration working on these things. The entire cabinet has been fantastic."

Such is the modesty, or perhaps the eleverness, of a deft politician who has his gaze fixed in the distance. Popular vice presidents above all obey an ancient injunction: Never insult the future. There is so much of it still to come.

The Washington Post.



LETTERS TO THE EDITOR

A Bangladesh Update

Betsy Hartmann, in "Population: Bangladesh Is No Model" (Opinion, Sept. 30), made observations based on her experience working in Bangladesh in 1975. This was at a time when national population policy was not declared and our family planning program with its "caleteria" approach of contraceptives was not in operation. Obviously, her understanding of the program is outdated. Experts around the world consid-

er the Bangladesh family planning program a success story and deem it worthy of emulation. Bangladesh achieved this success even though other socioeconomic conditions were not conducive to such a rapid fertility decline. The conventional wisdom that "development is the best contraceptive" did not apply here. Allow me to highlight a few areas of success in family planning

achieved in Bangladesh. Knowledge of family planning is universal. Some 98 percent of all eligible couples know at least one

• In 1975, only 7.7 percent of eligible couples were practicing some kind of contraception. The figure bad increased to 45.1 percent in 1993-94. The average annual increase of Bangladesh for the last 15 years is one of the highest of all Muslim countries.

 The infant mortality rate was 150 per 1,000 live births in 1975. It is now 88 per 1,000. Maternal mortality is down from 7 per 1,000 in 1975 to 5 per 1,000 today. The claim that there was a coer-

cive campaign by the army in 1983 to sterilize women in a poor tribal community is unfounded. Of course, there are many chal-lenges ahead for Bangladesh. The

country has to address the population problem more intensively. But the Bangladesh family planning program is now one of the five most successful programs in the world, as evaluated by the UN Fam-

DHIRAJ KUMAR NATH Deputy Secretary. Ministry of Health and Family Welfare. Dhaka, Bangladesh.

ily Planning Agency.

Red Carpets Are No Cure

I have lived for 23 years in a privileged area — across the street from the Unesco building in Paris. I have witnessed the comings and goings of many "congresses" with their enormous attendant costs: installation of red carpets, plants (rentals), tents (rentals), air conditioning systems (rentals), beating systems (rentals) for these tents, 20,000-watt public address systems that rattle our windows (used to call the chauffeurs of the various dignitaries' limousines); not to mention the strict police surveillance by uniformed police and by sharpshooters on

surrounding roofs. How many millions of dollars were spent - wasted - during the recent one-day summit conference on AIDS held at the Unesco building? Would it not have been better to devote that to scientific research for the real and ultimate means of stopping this pestilence?

BERNIE DRESNER.

In Jesse Helms's America

Regarding "The American Left Lost Touch and Has Deservedly Been Murdered" (Opinion, Nov. 22) by Michael Tomasky:

The specter of Jesse Helms announcing that if Bill Clinton visits his constituency "he had better bring bodyguards" heaped new embarrassment on the United States. What Mr. Helms will never tell you is that it is he who whipped up this frenzy of hatred; it is Jesse Helms and friends, not the Democrats, who are responsible for the current crisis, in which even shy steps by Bill Clinton to end the war on America's poor, and to revive the idea of reasonable government in the public interest, have brought a great blast of heat from the Hate Zone. Mr. Tomasky's self-flagellation about the state of postmodernism at the university and its alleged connection to the electoral scene reveals that he has no clue of what the real stakes are. They are high, and the next two years look very bleak.

CLAUDE CAHN. Budapest.

The Lobby's Goal: To Get Women to Love the Gun

By Bob Herbert

NEW YORK — The circumstances that led up to the shooting are not clear. One version of the story, according to the police in Jackson, Mississippi, is that late Saturday night 3-year-old Jonathan Hicks, who loved to look at

MEANWHILE

the lights on the family's Christmas tree, was mistaken by his stepmother for a burglar.

The stepmother, whose identity is being withheld, reached for a .380 semiautomatic handgun, went into the living room and fired at the first sign of movement. The boy was shot in the head and died. Police are still investigating and

have not ruled out other, more sinister versions. What is not in dispute is that the presence of a handgun in the stepmother's home, legally or illegally, and for whatever reasons, heightened the chances that something terrible would happen.

Tremendous sums of money have been made from the manufacture and sale of guns in the United States. But with so many men already armed, new markets must be found. The following quotation is taken from an "Editor's Note" in S.H.O.T. Business," a trade journal for the firearms industry:

"An important mission of this magazine is to show our readers how they can expand their customer base. pecially to women and children."

Most of us see homicide as a huge problem, but the blood is not flowing fast enough to suit the firearms industry. It is going after women.

Last week the Violence Policy

Center, a research foundation in Washington, released a report titled "Female Persuasion — a Study of How the Firearms Industry Markets to Women and the Reality of Women and Guns." The report explained how the leading trade association of the firearms industry, the National Shooting Sports Foundation, created a series of shooting competitions called the Ladies Charity Classic Events as a way of introducing women to guns.

The competitions are now run by an offshoot of the national foundation called the Women's Shooting Sports Foundation. The report said: "By utilizing mainstream charities as beneficiaries, the WSSF entices non-gun-owning women to participate in the Ladies Charity Classic Events ... Charities range in size and scope from the 1988 Classic, which benefited a

Houston shelter for abused women and children, to 1994's benefit for the Houston chapter of the Susan G. Komen Foundation for breast

cancer research and treatment. "As the National Shooting Sports Foundation noted in 1992, Each [WSSF] regional event will include a shooting clinic prior to the tourna-ment and an association with a charitable cause, both recognized as key factors in motivating women who are not shooters to participate."

It is just about impossible to overstate the insidiousness of seeking out women concerned with issues like domestic violence and breast cancer for the sole purpose of put-ting guns into their hands. But noth-

ing is beneath the gun merchants. What firearms marketers never point out — to men or to women is the extent to which the ready access to guns leads not to selfprotection but to the destruction of gun owners and their loved ones.

An analysis of gun deaths in the home that was published in The New England Journal of Medicine in 1986 found that more than 80 percent of the homicides occurred during arguments or altercations. In those kinds of situations, individuals often reach "for the most lethal weapon readily available."

Guns are particularly dangerous - and particularly dangerous to women - in households that are prone to domestic violence. That is another taboo topic for firearms marketers. So is suicide. Most gun deaths in America are the result of suicide, not homicide.

Men and women are being sold a fraudulent myth by the gun mer-chants. The route to personal safety is not more and more firepower in the hands of more and more Americans.

The Violence Policy Center noted that "research over several decades has consistently shown that a gun in the home is far more likely to be used in suicide, murder or fatal accident than to kill a criminal."

That fact holds no interest for gun merchants, who, like cigarette manufacturers, make a wonderful living from the sweet smell of death.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited ma-

BOOKS

NOBODY'S FOOL: The Lives of Danny Kaye By Martin Gottfried. 352 pages. \$24. Simon & Schuster.

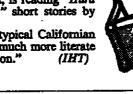
Reviewed by Susan Davidson

CONSIDERING Danny Kaye's worldwide popularity in the '40s, '50s and '60s, it is surprising that no biography (except for a piece of puffery published in Britain a decade ago) has appeared before Mar-tin Gottfried's "Nobody's Fool: The Lives of Danny Kaye." The reason may lie in a news clip Gottfried quotes -Kaye and his wife, Sylvia Fine, warned their only child, the writer Dena Kaye, that "if she ever writes about them she'll be disinherited." Dena so far has maintained her silence — in print, anyway — and presum-ably her inheritance; Danny Kaye died in 1987 and Sylvia

Fine Kaye, four years later.
Why the penchant for privacy? Gottfried, former drama critic for the New York Post and Women's Wear Daily and the author of several show biz biographies (Stephen Sondheim, Jed Harris, Bob Fosse), sets the stage by peeling away Danny Kaye's mask of comedy to reveal a complex, possibly manic-depressive,

 John Woodridge, an architect and urban planner who was executive director of Washington's Pennsylvania Avenue redevelopment, is reading "Hard to Be Good," short stories by Bill Barich. "He is a typical Californian in that he's much more literate

than he lets on."



Danny Kaye, ne David Dan-iel Kaminski, was born in Brooklyn in 1913, the third son of a saddlebag and corset mak-er, Jacob Kaminski, and his wife, Clara, poor Jewish immigrants from Ukraine who spoke only Yiddish. "Mach vie (make like) Shirley Temple," demanded Clara. She died when Danny was 13, but by that time his vocation was apparent. The class clown had made his stage

In a more affluent part of Brooklyn, Sylvia Fine, a dentist's daughter, was racking up high marks, writing humor for

debut as a watermelon seed while still in kindergarten.

the school newspaper and skits

possibly bisexual man who had many affairs and spent years in analysis.

Danny Kaye, ne David Daniel Kaminski, was born in fice, where Danny was working after school. The encounter was and married in 1940, was "a Fine head on Danny's shoulders," a position Danny both respected after school. The encounter was and resented. She wrote more using one of the dentist's drills to chisel a piece of wood.

> ing in voice, music or drama. Instead he worked his way up sticks to nightchubs in New York and London, from Broadway (where he upstaged Gertrude via's independent career ended

> dustry, Gottfried, though never ress); and taught at Yale.
>
> a stylist, is at his best. Fans will
>
> Kaye fans will have some be amused to learn how some of lusions shattered by "Nobody's the shtick Kaye used again and Fool," but it sure is fun. again got started.

with medicine - Kaye had wanted to be a doctor, but his family could not afford such an education — led him to watch surgeons at work. The love of baseball turned into part owner-ship of the Seattle Mariners.

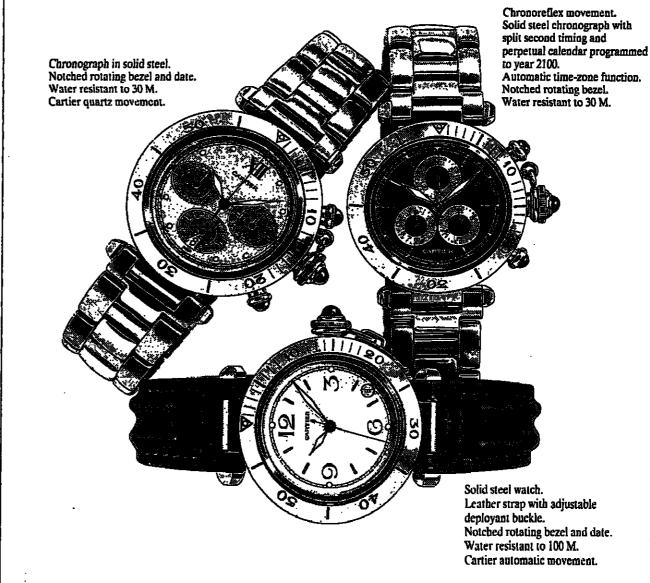
While on a plane that nearly crashed, Kaye vowed that if he survived the flight he would get a pilot's license, and he did. He also received a request from a fellow passenger on that flight to become Unicer's goodwill am-bassador. Enter Danny Kaye the globe-trotting humanitari Gottfried writes that Sylvia

brief, since Danny was fired for than 100 songs (both music and lyrics) for him, beginning with a Yiddish version of "The Mika-Sylvia went to college (Hunter do," directed his career, man-and Brooklyn). Danny had little aged their finances and took a formal education and no trainfessional partnership was strong and symbiotic, but the same canfrom the Catskills to touring in not be said for their marriage. vaudeville, a long way from the They lived in separate wings of top of the bill, from dives in the their Beverly Hills house or on

Lawrence) to the London Palla- in the early '40s. Not true. She dium (where the reviews were was a brilliant wit who put raves and Kaye became the dar- words in her actor-husband's ling of royalty, onstage and off). mouth for 40 years, wrote, pro-Movies and television followed. duced and performed in the In describing the early days of 1979 Peabody Award-winning Kaye's career, when entertainment was quaint compared with today's bottom-line-driven in way, at the Library of Con-Kaye fans will have some il

Then there are the stories about Kaye the fanatic, always Washingtonian magazine, wrote pushing to excel. A fascination this for The Washington Post.

The Pasha watches. Cartier, the Jeweler, works steel like a precious metal.



Cartier

PARIS - LONDON - NEW YORK - GENEVA - MILAN - MUNICH - HONG KONG - TOKYO and one hundred and forty Cartier stores in major citics worldwide.

BRIDGE

By Alan Truscott NEWSPAPER columns col-lected in book form tend to be dull reading, but there are exceptions. One of them is "Get Smarter at Bridge" by Phillip Alder. Some of his deals show the author's addiction to P. G. Woodhouse and the television

show " Get Smart." The book can be ordered by writing to him at P.O. Box 169, Roslyn Heights, L.I. 11577-0169, and the cost is \$14.95 including mailing.

On the diagramed deal Alder challenged the reader to count the number of malapropisms. Start counting as you read the

"The stakes were expansive, very extensive. North had just bid and made seven no-trump. This was the secant deal.

"West had a normal pre-eminent opening of five clubs. North bid six clubs to show a Stroganoff two-suiter, but not necessarily that shapely and sarong. The rest of the bidding contained three ill-advertised

"Declarer thumped the clubace lead in hand. He dashed one round of trumps with dummy's

tions to hearts. When West absconded on the first round and couldn't bluff, it was an easy job for South to snuff out East's heart queen. Declarer retrained to dummy with a diamond ruff. drew East's two trumps and "North-South ... corrected so

king before twitching his atten-

much money they were sudden-

North and South were vulnerab

Herald Eribune LIVING IN THE U.S.? NOW PRINTED IN **NEW YORK** FOR SAME DAY **DELIVERY IN KEY CITIES**

TO SUBSCRIBE, CALL

1-800-882 2884

(IN NEW YORK, CALL 212-752-3890)

HEALTH/SCIENCE

Hubble Fills In Creation Details

By Kathy Sawyer Washington Post Service

ASHINGTON — After decades of trying, astronomers have unveiled for the first time the color and shape of galaxies formed when the universe was as little as one-tenth its present age. The new images from the Hubble Space Telescope, released at NASA's Goddard Space Flight Center, bolstered a fundamental tenet of the leading the-

ory of creation, known as the Big Bang. but also instantly created another zone of controversy at the theory's heart. By training the telescope on some of the most distant galaxies known, the three teams used the Hubble to dig back through time and space, in the same way archaeologists dig through ever deeper layers of rock to find fossils. Astronomers have always used telescopes in this way — as time machines to capture light emitted millions or billions of years ago. Such observations provide an image of the past, like fossils encoded in starlight.

But until now, glimmerings from the infant universe remained beyond range. Many of the galaxies in the new images appear to be surprisingly old, populated with stars glowing a dull red — a sign of stellar old age — even though they inhabit the universe that existed within a mere 2 billion years after the Big Bang. (The aging sun eventually will dim and glow red -- but not for another five or six billion years.)

The paradox, as the scientists described it, is to find "grown-up galaxies in an infant universe."

Some of the images released Tuesday

light sources in configurations unknown in the present-day universe, some of them possible ancestors of spiral galaxies

like the Earth's galaxy, the Milky Way. "The evidence is very chaotic," and "marvelously complex," said Bruce Margon, an astronomy professor and chairman of the department at the University of Washington in Seattle. He called the new findings "impressive and depressing," since there is no single theme, but rather "a mishmash."

The Big Bang holds that the universe is not in a static, unchanging "steady state," but has been expanding and changing since the initial moment of explosive creation. Since the theory became popular in the 1950s, astronomers have sought a glimpse of a time when the universe looked different. But objects in the epoch of the first galaxy formation are at such distances that the largest ground-based telescopes see even the most brilliant objects among them (quasars, or quasi-stellar objects, believed to be the violently active cores of young galaxies) as no more than fuzzballs of light, lacking all detail.

OW the Hubble, positioned above the Earth's atmosphere and using precision optics for photographic exposures of up to 18 hours, has defuzzed the fuzzballs, revealing details of structure and nature. It is like "seeing noses and eyebrows on previously blank faces," said team leader lan Dressler of the Carnegie Institution of Washington.

"We have very likely identified the long-sought population of primeval gal-axies," said Ducchio Macchetto of the resemble a dipper of cosmic pond water. European Space Agency and the Space

with shards and shreds of unidentified Telescope Science Institute in Baltimore, another team leader. Dr. Macchetto and a colleague, Mauro Giavalisco, identified a cluster of 16 primeval galaxies in the constellation Sculptor.

> "The very presence of the cluster shows that these large structures already existed 2 billion years after the Big Bang. This is unexpected and counter to many theories of cluster and galaxy formation," Dr. Machetto said. Because it takes a billion years to form the type of galaxies they found --- egg-shaped galaxies known as ellipticals — they must have begun to take shape as little as a billion years after the Big Bang. (For purposes of the discussion, the teams selected an arbitrary age for the universe of 14 billion years.)

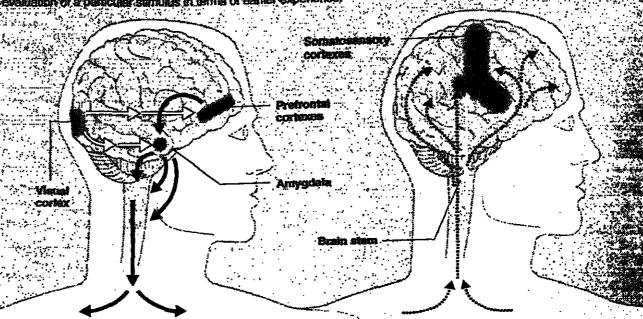
A team led by Mark Dickinson, also of the Space Telescope Science Institute, found a similar scene when it studied a cluster of closer galaxies as they existed when the universe had matured to nearly one-third its current age: more galaxies that appeared to contain populations of

"This has immediate cosmological implications, since the universe must have been old enough to accommodate them," Dr. Dickinson said. Theories holding that the universe is expanding very rapidly and is therefore at the young end of the theoretical range "leave little time for these galaxies to form and evolve" to the stage of maturity seen in the images.

Dr. Dickinson took one of the Hubble's longest exposures ever, revealing what he called "a bewildering range of galaxy shapes. The Hubble image is like looking at a drop of pond water under a microscope, where we see a menagerie of

Following the Brain's Wiring Diagram for Emotional Reactions

Researchers now believe that traceable physical pathways are responsible for emotional reactions. The necessary basis for leelings, the new research holds, is a perception of both body changes and cognitive changes induced by the evaluation of a particular stimulus in terms of earlier experience.



PROCESSING A PERCEPTION

The perception of a trigger stimulus, like the face of a loved one, in the visual cortex and the association cortexes causes parallel signals to go to limbic system structures like the amygdala and to prefrontal cortexes. The prefrontal cortexes send signals to the amygdala, and amygdala signals the hypothalamus and brain stem.

Source: Dr. Antonio Demasio/Liniversity of lower

PROCESSING THE REACTION Signals from the hypothalamus and brain stem generate an emotional body state, which is then signaled to several somatosensory cortexes. But the neurotransmitter nuclei in the brain stem also signal many areas of the cerebral cortex and subcortical regions with neurotransmitters. Signals following these pathways cause widespread alterations in how the system handles information.

Prostate Cancer: Too Few Studies

By Jane E. Brody New York Times Service

EW YORK --- Despite complaints that women's health issues have been relatively neglected by medical researchers, when it comes to cancer of the prostate, the opposite argument can easily be made.

Breast cancer, the woman's disease that comes closest to it in incidence, death rates and age of onset, has been the subject of many well-designed clinical trials that have resulted in improved survival chances and a reduced need for mastectomy.

No such attention has been paid to prostate cancer, which will eventually strike 1 man in 11. This is a disease with a rapidly rising incidence, mainly as a result of advances in early detection, which are themselves controversial.

The death rate from prostate cancer has been steadily increasing, but there have been only modest improvements in treatments, which still leave a substantial portion of men with the devastating complications of impotence and incontinence.

This year, 38,000 American men will die rostate cancer, which is especially le thal to black men in the United States. Another 200,000 men will face treatment decisions that cannot be based on definitive clinical trials because such trials, only recently begun, will not produce conclu-

sive findings for a decade or more.

Treatment decisions — about whether to be treated at all and, if so, how - remain up to patients to an extent that is found with few other conditions.

The patients must take into consideration complex issues like the extent and aggressiveness of the tumor, their current health status and life expectancy, the importance of full sexual functioning, the willingness to have frequent checkups and living with the knowledge that the body harbors a cancer.

Since the mid-1980s there has been an increase exceeding 600 percent in new cases of prostate cancer, largely because of the ever-growing use of a simple blood test called PSA, which measures an enzyme produced by the prostate gland. When cancer is present, the PSA level rises. The larger the tumor and the more aggressive its growth, the higher the PSA level gets and the faster it rises.

But the PSA level does not rise only with potentially lethal cancers. It can also indicate the presence of very small, slow-growing tumors that are unlikely to threaten a man's health during his remaining years of

Autopsy studies indicate that 40 percent of men over 50 unknowingly harbor tiny of these cancers will grow into a life-threatening cancer, but there is no certain way to know which will and which will not.

So when such a tumor is found during a man's life, he faces the distressing question

of what, if anything, to do about it.

The choices include doing nothing at all: "watchful waiting," as urologists put it, until and unless the tumor enlarges to a point where treatment becomes clearly advisable to stem its growth.

But while a tiny prostate cancer may be completely curable with radical surgery or radiation therapy, if treatment is delayed, the cancer could spread beyond the point of cure between periodic checkups.

On the other hand, if the man chooses radical surgery — prostatectomy — which is thought to produce the highest cure rate when the cancer is still confined to the gland, he risks permanent impotence, stress incontinence and, to a much smaller degree, complete incontinence.

N alternative to surgery is seven weeks of radiation therapy five days a week, which also carries a risk, though smaller than with surgery, of causing lasting impotence and incontinence. In addition, radiation is considered less effective than surgery in achieving a permanent cure.

Finally, there is hormonal therapy, which involves removing the stimulating effects of testosterone on the prostate can be achi removing the testicles or by shutting down testicular function chemically.

The hormonal approach buys time but does not cure the cancer. It is usually reserved for men whose tumors have spread and for those who, for health or other reasons, are unsuitable candidates for surgery or radiation.

The Physical Roots of Emotion

By Sandra Blakeslee New York Times Service

EW YORK — Imagine walking along a jungle path in the twilight and hearing a lion roar. Your skin turns clammy, a knot forms in your stomach and you can taste the fear

rising in your throat. Now imagine walking along a zoo path at the same time of the evening and hearing the same sound. This time you do not

feel afraid. The reason, scientists say, has to do with how emotions and feelings are processed in the brain. External sensations (the roar) and memories (lions are locked up in the zoo) interact along complex circuits to generate our emotional reactions - in this case, to not be afraid.

Those neural circuits - networks of cells that crisscross the brain and send projections throughout the body - are now being delineated in unprecedented detail by a handful of neuroscientists who say the biological nature of emotions and feelings can at last be described.

Until recently, brain researchers focused most of their attention on the biological basis of cognitive processes such as perception and memory, said Dr. John Allman, a professor of neurobiology at the California Institute of Technology. They tended to nore emotion, he sa emotions and rational thought are separate activities and that emotions are just too

difficult to understand biologically.
This attitude is now changing, Dr. Allman said, as researchers have come to realize that emotional brain circuits are just as tangible as circuits for seeing, hear-

ing and touching.
In this view, emotions and feelings are not, as poets and philosophers say, ephemeral reflections of the human soul. Rather, emotions are largely the brain's interpreta-tion of our visceral reaction to the world at

large.
Pioneering experiments on emotions have turned up some interesting concepts: • Emotional memories involving fear are permanently ingrained into the brain;

they can be suppressed but never erased.

 The body, as represented in the brain, is the frame of reference for what humans experience as mind. Our thoughts and actions — our sense of subjectivity — uses the body as a yardstick.

 Emotions are an integral part of the ability to reason. While too much emotion can impair reasoning, a lack of emotion can be equally harmful.

• Gut feelings and intuition are indispensable tools for rational decision-making; without them humans would have great difficulty thinking about the future. Much of the new information about the neural circuits underlying emotion stems

from experiments on animals. Dr. Joseph LeDoux a professor of neurobiology at New York University and a pioneer in such research, said that a basic emotion like fear and the circuits that support its expression were highly conserved through evolution

Understanding fear mechanisms in animals, he said, sheds light on human fears and may help researchers study other emotions. The work is important because many psychiatric disorders, including anxiety, phobias, post-traumatic stress syndrome and panic attacks involve malfunctions in the brain's ability to control fear, he said.

Much of the research is centered on the amygdala, a tiny structure deep in the brain that is crucial for the formation of memories about significant emotional experiences. Damage a rat's amygdala and it "forgets" to be afraid.

To trace the cell networks involved in fear, Dr. LeDoux and his colleagues first conditioned rats by pairing a loud noise with a mild electric shock to their feet.

The rats soon showed fear when they heard the noise without the shock. The researchers presume fear conditioning occurs because the shock modifies the way in which neurons in several brain regions

interpret the sound of the stimulus. In time, however, the rats gradually lose their fear of the sound. Some part of the rat's brain outside the amygdala seems to control the fear response, Dr. LeDoux said. But it does not eliminate it.

In further experiments, in which researchers damaged a small region of the rat forebrain, the rats not only did not lose

their fear but remained afraid much longer, indicating that the frontal region helps control emotional memories forged in the amygdala and may prevent responses that are no longer useful.

This finding explains why a person who hears a lion's roar in a zoo is not afraid, Dr. LeDoux explained. Input from the frontal area of the brain helps override the fear. But problems with this circuit may underlie phobias, he said. Some people respond. with fear to a stimulus such as a lion's roar, even though they know there is no danger.
"You can tell phobics all day long. This
will not hurt you," Dr. LeDoux said, "but
they don't believe it."
While animal experiments have helped

scientists trace exact pathways for fear, the question of how emotions such as joy, sadness, anger or shame are wired in the human brain is more difficult to answer. Psychologists and philosophers have long examined emotions and their impact on behavior, but they have done so by observing what people do and say. Few have ventured into the so-called "black box" of the brain.

UT advanced imaging tech-niques that can look inside the brains of subjects while they talk about feelings and experiences are beginning to lead to a neurobiology of emotions. People with brain damage are particularly revealing in this regard. When specific parts of the brain are damaged. patients may lose the ability to feel emotions, sometimes with disastrous conse-

Pioneering work in this area is under way at the University of Iowa Medical School, where Dr. Antonio Damasio leads a team that is probing the brains of stroke and accident victims whose personalities have been affected by their injury.

Dr. Damasio described his ideas in a book called "Descartes' Error." The philosopher René Descartes held that morality, reason, language and spirit were held in the lofty brain whereas biology, emotions and animal instincts reside in the body, Dr. Damasio said. The new neurobiology of emotions seeks to overturn this

Genetic Clues to Suntan and Cancer

solved the mystery of and it is not a pretty picture.

protective barrier that tries to EW YORK — Researchers have partly stroying cellular DNA.

On a more positive note, the what causes a suntan, researchers said it might be possible to harness the process and Tanning happens when the to develop a lotion that would body tries to excise and dispose promote a tan without genetic of damaged genetic material, scientists reported. In the process, they said, the skin erects a that make skin look more orange than tan.

Don't miss the upcoming page:

WORLDWIDE

LUXURY

REAL ESTATE

A selection of the world's finest

properties presented in color.

See the Friday December 9

edition of the newspaper.

Possible new tanning lotions new research unlocks an imporaside, the discovery is important piece of the puzzle, she tant because it provides insights on how human skin responds to damaging sunlight.

An estimated 700,000 Americans develop skin cancer each year, largely as a result of exposure to ultraviolet light, according to the American Cancer Society; 32,000 develop malignant melanoma, a lethal form of skin cancer that is being diagnosed more frequently all over the

The incidence of melanoma has doubled in the United States within the last 20 years, according to the National Can-cer Institute. Among white Americans, the probability of developing melanoma is 1 in 88, according to the most recent cancer surveillance statistics compiled by the institute compiled by the institute.

The new finding about the process of tanning is described in Nature magazine by Dr. Barbara A. Gilchrest, professor and chairwoman of dermatology at Boston University School of Medicine, and her col-

It has long been known that tanning is the body's major effort at protection against sun damage, Dr. Gilchrest said. But the process itself in some people can lead to cancer.

Part of the key to the paradox lies in the steps leading from sun exposure to suntan, which were not known until now. The

The first step is that sunlight

penetrates the upper layers of skin, Dr. Gilchrest said. Ultraviolet radiation, which is highly energetic, bombards the basic units of DNA inside skin cell nuclei, causing many of them to fuse into nonfunctional fragments. The process of repairing such errors can go awry and lead to cancer, she said.

Once this damage occurs, the cell nucleus releases repair enzymes that snip out the damaged DNA fragments, Dr. Gilchrest said. The enzymes then help generate new DNA to replace the damaged fragments.

The tanning response is initiated by this cutting process, Dr. Gilchrest said. The fragments and enzymes somehow stimulate pigment cells, found in up-per layers of the skin, to produce melanin, a black substance that absorbs ultravio-

Melanin is distributed throughout the upper skin layer in caps like little umbrellas, she said. Its role is to protect the DNA in lower layers of skin

The signal by which sunlight stimulates melanin to pour out pigment cells is unknown, Gilchrest said. But the DNA repair enzymes greatly speed up the process.

Sandra Blakeslee

Breakthrough Math Technique

By Curt Suplee
Washington Post Service

ASHINGTON — Two physicists have devised a revolutionary mathematical technique that makes many problems in four-dimensional space far easier to calculate and may ultimately help explain one of the most vexing questions in physical science: How the elusive subatomic particles called quarks combine to form protons, neutrons and other components of

Edward Witten of the Institute for Advanced Studies in Princeton, New Jersey, and Nathan Seiberg, a Rutgers professor, recently found a way — called "supersymmetry — to convert four-dimensional equations so complex that they could be solved only partially on supercomputers into a two-dimensional form that can be

calculated with pencil and paper.

"It's a real breakthrough," said Rutgers physicist Stephen Shenker. "A year and a half ago I would never have dreamed that results of this power could be obtained." Mathematician Sylvain Cappell of the Courant Institute of Mathematics at New York University, who is visiting at the institute this semester, said that "it radically simplifies our understanding of four-dimensional geometry and makes it possible for us to attack whole new problems in Solving equations that involve four di-

mensions - such as three spatial dimensions plus time, which happens to be the way our physical universe is constructed is remarkably difficult. "You can think of dimensions as corresponding to numbers of variables in a problem," Dr. Cappell said. "Two variables make a graph. Three make a three-dimensional shape." However, "almost all real problems in real life involve many variables." Low numbers of dimensions have the advantage of simplicity: Results can be easily visualized. High numbers allow for constructing complex relationships. But four, Dr. Cappell said, is too high to able to see everything and too low to be able to carry out big con-structions. It falls in between."

T also poses difficulties for certain kinds of calculations — especially those in which the order of operations is important. When adding 4 and 5, for example, it doesn't matter whether it is done as 4+5 or 5+4; such results are said to be commutative. But when the math involves, say, rotating a multidimensional object in various ways over time, the order of events can be critical. Procedure A followed by procedure B may not produce the same result as B followed by A.

As Dr. Seiberg noted, "Our world is four-dimensional. Time is the fourth dimension. [Subatomic particles] can move around and the motion is something that takes place in time."

In particular, such equations are necessary to describe a key element of the so-called standard model of particle physics. That theory assumes that heavy nuclear particles such as protons and neutrons are made up of various combinations of quarks - elementary particles that come in six types and three "colors." The mathein six types and three "colors." The mathematical rules whereby the different kinds of quarks are thought to combine, as well as the ways in which they are affected by the particles whimsically named gluons that carry the strong force (one of the four fundamental forces of nature, along with gravity, electromagnetism and the "weak" force involved in radioactive decay), have been formulated for decades. been formulated for decades.

Unfortunately, the equations describing those relations are virtually impossible to solve. For example, not only does the force between quarks increase as the distance between them increases, but the gluons themselves are constantly influenced by alterations in the force field they create. Trying to calculate how these maddeningly interconnected entities change over time is, in the words of one senior particle physicist, "a mess."

THE NEWSPAPER OF RECORD FOR THE INTERNATIONAL MUTUAL FUND INDUSTRY

Listings - Daily ★ Money Report - Weekly ★ Fund Performance Focus - Monthly

REACHING PERSONAL INVESTORS IN OVER 180 COUNTRIES

=Herald Tribune=

احكتاب الاعل

eactions چ. *څروغو*ټک

Buropean Union

Transitions / Soul-Searching

Along With Growth, A Shifting Identity

The questions that face Moreover, only a small per-Europe are not only difficult to resolve, but also awkward to define. This is because the definition depends largely on how Europe sees itself.

Should Europe dig deeper before it spreads wider? Should it do the opposite, or both at the same time? Is Europe above all a market, or does it have a soui?

The entity now known as the European Union began with a vision; since then it has often functioned like a bad-tempered working party. "Its whole history has been made up of a succession of crises followed by bursts of progress," commented former French President Valéry Giscard d'Estaing at a recent meeting on the Ecu organized by France's financial futures exchange.

Just a state of mind?

Starting from its treaty origins in the mid-1950s, the EU has developed a set of institutions that in many ways resembles the trappings of a sovereign state. These include a directly elected parfiament and a court of justice, not to mention a star-sparigled flag, a hopeful anthem and a standardized passport. Thanks to EU directives, money, goods, services and workers are free to move around the EU.

Yet if a reporter were to travel around the EU asking people in what entity they lived, it is unlikely that many would answer "Europe."

centage of EU citizens opt to live permanently in another member state.

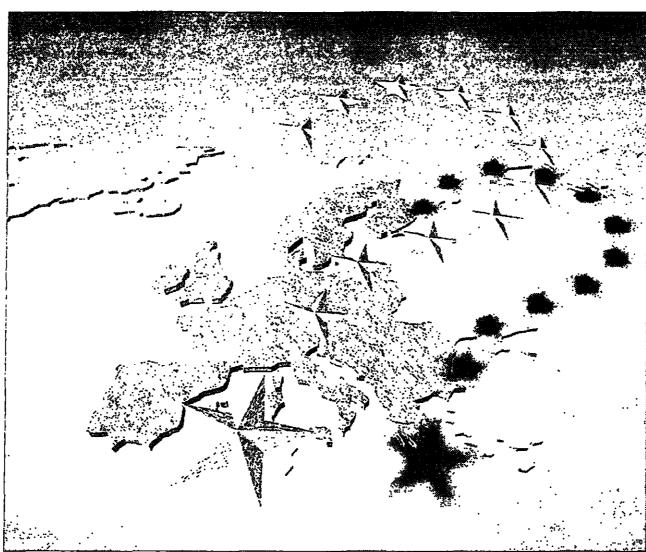
Some Europeans do not even think of themselves primanily as citizens of the nation state they inhabit. When Barcelona was advertising its Olympic games a few years ago, the city fathers must have puzzled the wider world by informing it that Barcelona was the capital of a country called Catalonia.

The rise of regions

Yearnings for regional autonomy may make it harder for the governments concerned to meet the convergence requirements of the Maastricht treaty. Yet, paradoxically, a federal Europe could also boost the power of regions in relation to national governments. Jordi Pujol's "Generalitat" in Catalonia is not the only regional authority eager for direct funding from Brussels and more scope in which to weave cross-border

As the EU grapples with internal doubts and inconsistencies, it is also under pressure from two main external forces. One of these is the need to compete in world markets, which will become freer and more demanding as a result of the latest GATT round and the creation of the World Trade Organization.

The other is the defense headache posed by turbulence in Eastern Europe and war in the former Yugoslavia. The growing reluctance of



What's in the stars? Like most evolving entities, the EU is still in the process of defining itself.

the United States to continue shouldering the major part of this responsibility adds further urgency to the EU's moves to establish a workable common security policy.

حبكذا من الاعل

Beyond economic issues "The strategic issues that now face Europe's leaders are much vaster than the be addressed, EU member search for strategic business

deals on economic cooperation that they were able to play around with between the end of the Second World War and the collapse of the Berlin Wall," argues Jonathan Story, professor of international economics at INSEAD, the French busi-

ness institute. "If these are to

indulge in their little backyard squabbles."

Economic and military pressures may both bring Europeans closer together, but each of these suggests a different sort of Europe. The first will tend to break down internal frontiers in the

states can no longer afford to advantages and economies of scale. The second emphasizes national military capabilities and the older relationships between big nations and small ones. Is Europe capable of simultaneously waving its flag to discourage

conflict while beating the

drum for trade? Michael Rowe Partnerships / Forging Alliances

The Underlying Ties That Bind the **Union**

France and Germany – each for its own reasons have long been the main partners in the scheme to bring about economic and But as the date to consummate this union approaches, France is casting a

wayward eye on Britain. The French have no wish to find themselves in a permanent tete-à-tête with the Germans, and we would very much like Britain to join us wholeheartedly in the movement toward European Union," comments Jean-Daniel Tordjman, France's ambassador at large and head of the Invest in France bureau. "The German alliance is important, but a counterweight to German economic strength would also be valuable.

Historically, Britain has been wary of European entanglements, and it still seems to see the Continent essentially as an interesting foreign market. French decision-makers, on the other hand, quickly latched onto the European idea as an extension of French domestic policy. Germany - economically dominant, but psychologically reluctant to exercise its full political clout for several decades after World War II - found the French alliance

A change in dynamics Now there is a new situation. The collapse of the East/West divide has

brought about a unified Ger-

man nation of more than 80 million people, together with a rash of new candidates for EU membership. As a result. the Union's boundaries are monetary union in Europe. a)ready expanding northward, and are set to expand

to the east as well. "German people wonder what is happening to them, but at the same time they feel the weight and strength of their new situation," says Bruno Leblanc, director of Europäische Wirtschaftshochschule (EAP group) in Berlin. "The prevailing trend in German politics still leans toward European integration. though there are now strong intellectual currents in favor of a more national-based approach, I would liken these latter to a German form of 'Thatcherism' rather than to the more extremist trends that are sometimes depicted in foreign press articles."

Lingering ambivalence Against the background of American politics and war in Bosnia, Britain and France have recently been making modest efforts to boost their cooperation in military matters. Joining in the single currency is a very different issue, and could hardly be contemplated in Britain's current political situation. Whether the fear of marginalization in Europe's business and financial markets could lead to a change of view in the long term remains to be

Continued on page 11

Good ideas travel faster when barriers

The drive toward economic integration in Europe is welcome news to many providers of products and services, especially those who stress high quality and reliability. They know that in the long run, good ideas will gain a competitive edge as boundaries fade away.

One good idea that is already widespread and growing on a European scale is the Pfandbrief, a concept that dates back 225 years to the time of Frederick the Great. In a number of European countries, Pfandbriefe have proven themselves as reliable instruments in their own capital markets.

In Germany, the Pfandbrief – a special variation of a very European product – is a low-risk bond issued to finance mortgages and loans to the public sector. Pfandbriefe account for nearly 40 % of the entire DM 2.7 trillion German bond market. And as cross-border trading in Europe grows, German Pfandbriefe are attracting increasing attention among international institutional investors.

Pfandbriefe have a potentially significant role to play in further harmonizing the European capital market. It is in this spirit of integration and harmonization that good ideas can flourish and open new perspectives for economic prosperity in the future. As political leaders meet this week in Essen, good ideas will again be needed to help create an environment that fosters new opportunities for healthy expansion across borders in Europe and beyond.

den - Bayerische Vereinsbank AG, München - Hypo-Bank, München - Deutsche Hypothakenbank Frankfurt - AG, Frankfurt - Rheinhyp, Frankfurt - Deutsche Genossenschafts-Hypothekenbank AG, Hamburg - Frankfurter Hypothekenbank AG, Frankfurt - Deutsche Centrolbodenkredit - AG, Koln - Bayerische Der in Ballis. Wiesenschaften West Hyp, Dortmund Berlin Hyp, Berlin Süddentsche Bodencreditbank AG, München Hypothekenbank eG, München Hypothekenbank eG, München West Hyp, Nürnberg Hypothekenbank in Essen AG. Essen Deutsche Hypothekenbank (Act. Ges.). weig-Hannoversche Hypothekenbank AG, Hannover - Aligemeine Hypothekenbank AG, Frankfurt - Rhemboden Hypothekenbank AG, Köln - Lübecker Hypothekenbank AG, Lubeck - Nordhypo Bank, Hamburg - BfG Hypothekenbank AG, Frankfurt - WL-Bank, Münster - Hypothekenbank in Berlin AG, Berlin



In the pipeline: more integration of infrastructure in order to share the costs of energy transport.

Energy / Increased Self-Sufficiency

Also Due to Expand: The EU Natural Gas Grid

transparency and thirdparty access have been preoccupying Brussels, oil and gas producers and gas transmission companies have been acting together to ensure Europe's security of supplies - in their view the top priority in assuring a free flow of energy on competitive terms. This has brought them closer together in a world where political turnarounds and oil crises are regularly experienced.

Europe's highly integrated gas grid reflects the developments and growing energy demands of an expanding European Union. With Norwegian gas now flowing through France to Spain, and likely soon to flow through Eastern Germany to Poland and the Czech Republic, Europe has achieved a well-balanced supply policy, with roughly one-third of its gas coming from Russia, onethird from Algeria and onethird from Norway.

Sharing financial risk

This integration effort should increase as the EU welcomes Austria, Finland and Sweden as new members although Norway has chosen to remain outside. With its

sources, oil, gas and hydroelectric power, Norway has become the chief European energy supplier. In spite of the environmental acceptability of gas, it is the financial risk in building infrastructure capable of carrying fuel over thousands of kilometers from Norwegian offshore fields that is the driving force behind the integration of the European energy grid.

Risk-sharing between buyers and sellers has become a necessity, but this also entails sharing the rewards in a European market - set to double its consumption from a current 260 million tons of oil equivalent to up to 400 million tons by 2010. Projects are numerous, but among the less risky are those located within Europe. Britain and Norway are both about to make important pipeline decisions that should strengthen and further integrate the European energy grid.

The Interconnector

A \$460 million project to link Bacton on Britain's southeast coast to Zeebrugge in Belgium, called the Interconnector, is one of these projects. Seven companies, among them multinationals and British and Norwegian part-

While competition, price considerable energy re- ners, have signed on to form a new gas-transport company. This prestigious project will make Britain a net exporter of gas to the Continent from 1997 until the time when the flow needs to be reversed in order to fill the demand/supply gap in Britain, perhaps as early as 2010. Norwegian, Russian or even Algerian gas could then flow back through the Intercon-

> Indeed, bringing more gas to Europe from both Russia and Algeria is possible. Links already exist in the east to carry Russian gas from Orenburg into Germany and France, while Algerian gas feeds into Italy through a complex of pipelines that billion in its entirety hardly crosses the Messina Strait to Furthermore, the 1,370-

kilometer (850-mile) Europe-Maghreb trunk line, due to become operational in 1997-98, will link the Algerian Hassi R'Mel field to Spain. As much as 40 percent of the \$2 billion investment is being financed by the European Investment Bank. The European Union considers itself directly concerned by this trunk line, for which an extension inside the Union is already envisaged at a later

Environment / The South's Priorities

The identity crisis currently being experienced by Algeria has led major buyers to ask if the Islamic fundamentalist movement could destabilize the national company Sonatrach, jeopardizing the free

flow of Algerian supplies to

In the meantime, new sup-

Out of Siberia

plies of cheap Russian gas are being presented to the European gas market. But what exactly does "cheap gas" mean, when it has to come all the way from the Yamal Peninsula in Siberia? A pipeline project estimated to cost \$40 billion in the initial stage but as much as \$100 suggests "cheap gas." The ramal project, now declared technically feasible in spite of the challenges presented by permafrost, still remains a misty venture in terms of

At the turn of the century, the Yamal gas would already be flowing into Poland, which has ratified an intention agreement with Russia. The project will require Western capital in order to get off the ground, with some sources implying that Russia still needs to sort out its business notions with Western countries before investments can be decided upon.

More trunk lines

This situation clearly gives an advantage to Norway, which is currently discussing where "Europipe 2," its fourth gas trunk line to the Continent, should land. Landing sites in France, Belgium or the Emden terminal in Germany are being considered, while a fifth gas trunk line is also possible in the future.

Meanwhile, the two Norwegian producers, Statoil and Norsk Hydro, have joined with the two German transmission companies. BEB and Ruhrgas, to form a new transmission company, NETRA GmbH. NETRA will build another pipeline link in Germany to carry additional volumes of Norwegian gas to Eastern Germany and, in the longer term, to the emerging markets of Central Europe.

This latest step, formalized in October, reflects the wish of producers and transporters to further integrate their upstream and downstream activities with a view to better sharing the risks of huge infrastructure investments as well as the rewards of establishing a reliable gas

Annick Lia

Buropean Union

Exports / Impetus for Growth

Economic Building Blocks

One of the main engines fueling European growth over the past two years has been exports. But there are now signs that the European Union's economy is shifting from an export-led to a domesti-

cally driven economy. The export boom was largely born from increased competition among EU states to reap sales in booming East European, Asian and recovering U.S. markets, as well as among themselves. It has resulted in a handsome narrowing of the Union's trade gap with the rest of the world, and the emergence of

healthier economies. Shrinking trade gap

In 1993, the trade gap narrowed by 50 billion Ecus (\$61 billion), following a 10.6 percent surge in exports and a 0.8 percent fall in imports. According to Union officials, the EU trade deficit shrank to 1.4 billion Ecus in

Germany was one of those that exceeded regional export totals. In the first quarter of 1994, its exports to the United States, Eastem Europe and Asia rose by over 15 percent over the same period in 1993.

EU countries are also emerging among the top-ranked foreign investors in many developing countries. In the first quarter of 1994, for example, Britain, Germany and the Netherlands led the race to pump funds into India. All three were well ahead of the United States, which led the list in 1993. Britain and Germany retained their lead over Japan, which has heavily increased investment activity in the region.

But European money is also playing an increasingly major role in the developed world as well. Last year, European funds, for example, accounted for a massive 40 percent of the total foreign investment received in the United States

While Union officials expect economic ex-

pansion within the EU to continue to be underpinned by strong export growth, in the long run they predict that the gains in international export market share made by the Union in 1993-94 will recede.

Strong export growth

Last year was exceptionally good for the EU. With the Union's total export growth figures up by 10 percent over 1992, the biggest gairiers were Ireland, with 37 percent growth, Greece (23 percent), Belgium and Luxembourg (19 percent each), the Netherlands (18 percent) and Britain (15 percent).

While the rate of expansion of exports of goods and services is expected to be 8 percent by the end of this year, the EU's outgoing economics commissioner, Henning Christophersen, predicted in late Novemberthat it would continue to decelerate marginal. ly to what he terms a "still high" 7 percent in ...

Investment spillover

Europe's export growth to date has, however, been the key factor in fueling its economic. growth. The initial strong impulse from buoyant exports has spilled over to bring an investment revival, particularly in machinery and equipment, and an equally strong inpulse to restock.

In addition, the improved climate has also led to a revival in construction and to a gradual growth in private consumption.

Mr. Christophersen predicts that the Union's economy will, in fact, progressively shift from an export-led to a domestically driven dynamism over the next few years.

Investment in equipment is expected to undergo the most brisk revival, rising, accordingto EU predictions, from the 2 percent growth. rate recorded this year to around 7 percent to. 8 percent in 1995-96.

1995 Conference in Berlin Will Continue Rio's Work

'Rio it' turns out to be a litting name for the conference that is taking place

known. To its critics, the conference produced only a vague collection of platitudes and no progress on a langible im-

tudes and no progress on a tangible improvement in the world's environmental situation.

Fig. 1) is set to produce an agreement on remedying the protectes affecting the world's atmosphere. Exactly what will be in this agreement has likely bear the set of elements as likely bear the set of elements in Contestable point of the and the studilling of certaining with automaticiant by containing the protection of the and the studilling of certaining of elements.

The musilier has no allocate about the scale of the work angle. All that we want to be contained by the segurities of separations and the studies along to be on the pushed by the segurities of separations.

The musilier has no allocate we want to be contained by the segurities of separations and the studies along to be on the state of the second of the search be contained by the segurities of the search to less political and the studies of the search to less political and the

through the EU summitte Essentian Dec. 9-10.

for the conference that is taking place in Berlin from March 28 to April 7, 1995. "Rio it" is also easier to employ than the event's proper name: the First Conference of the Signatories of the Convention on Protecting the Climate.

The nickname is fitting because the late March event will strive to continue the work of the earlier environmental summit by coming up with concete measures for immediate implementation. By doing so, the event will rectify one of the criticisms most often made of the UN's Conference on the Environment and Development, as 1992's Flio I was officially known. To its critics, the conference piro

bon dioxide by 15.7 percent over the lest.

GERMANY

If your corporation is looking for a foothold in Germany or intends to broaden its existing base by an acquisition, we can assist in search, approach and negotiation.

As our domestic clients are usually entrepreneurs, proprietors or shareholders of privately-owned German companies, we are well acquainted with their mentality. We are sensitive to this when making approaches and during negotiation and valuation.

If local competence is needed to realize your acquisition goals in Germany successfully, please contact us for further information.

Fuchs Consult

Kreuzberger Ring 64 - 65205 Wiesbaden Telephone (x 49 611) 70 00 40 - Fax (x 49 611) 71 04 04

Mediterranean Countries Seek a Greener Alignment

southern Europe's golden beaches and drink in the fragrant air, enviably free from the pollution of the more industrialized north. But they often think twice about drinking the local water, and may be far from impressed by sanitation conditions.

This is the crux of the environmental problem for lessdeveloped European Union members such as Greece, Portugal and Spain. Their air, seas, rivers and countryside are relatively unsulfied apart from notorious exceptions like the smog-bound center of Athens and parts of the Mediterranean.

But many homes do not yet have access to running water or sewage facilities. Where water is available on tap, it is often of an inferior quality and expensive. In Portugal, the EU's most backward member in this respect, only 60 percent of homes have running water, and even fewer are linked to sewage systems.

Profiting from hindsight Governments are confident that environmental lessons learned with hindsight in Northern Europe can be applied less painfully in the south. A high level of investment, largely supported by EU structural tunds, is being mobilized to help the region

Visitors love to swim at cope with existing difficulties and eliminate the risk of others emerging.

Investment is being channeled in two directions. Preservation and protection is a priority. The poorest EU members possess some of the most undisturbed natural habitats in Europe. But such areas are highly vulnerable because of the strong pressure for industrial development in these countries and the lack of financial and administrative resources to pro-

Sustainable development The effort to protect environmental assets reflects the principle of sustainable development that was emphasized at the 1992 Earth Summit in Rio de Janeiro, Brazil. The tenet is that lasting economic progress is based on the maintenance and improvement of natural capital stocks, such as clean water. fertile land and safe energy supplies.

Preserving the quality of the environment is a pressing concern for countries such as Greece, Ireland, Portugal and Spain, where tourism is a vital component of national revenue. It also has an immediate bearing on efforts to attract inward investment and on the marketing of agricultural and other products. Portugal's mid-Atlantic Azores archipelago, for

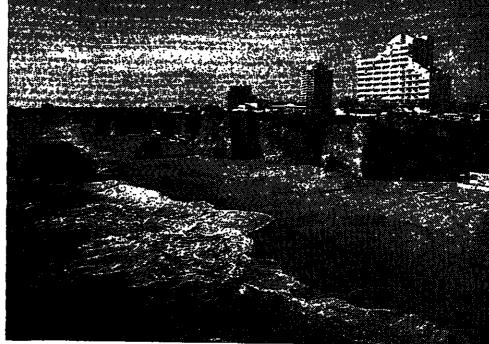
tine quality of the islands' environment an important competitive advantage for its cheeses and other dairy

"Except for a few black spots where action is being taken, we believe the quality of Portugal's environment is almost unrivaled within the European Union," says Ascenso Pires, Portugal's director-general for the environment. "Our overriding concem is to preserve that quality, both because of its intrinsic value and because of the competitive advantages it ofters our economy."

Playing catch-up

If one main drive of Southern Europe's environmental investment is toward preserving qualities that the north has to a large extent lost, the other is aimed at catching up in areas such as water distribution, sewage systems, waste management and land reclamation, where more developed countries are considerably more advanced.

Stakes are high in the competition for the contracts and concessions being awarded in the development of such infrastructures and services. This was reflected in the recent privatization of the municipal water services of Mafra, a town of only 26,000 consumers, 30 kilometers (18 miles) north of



On the beach: fighting the good fight for the environment.

Lisbon. No fewer than nine groups, each including an important foreign company, competed for the contract, which was awarded to a consortium led by Générale des Eaux of France.

The level of interest in a small municipal water service in Portugal is understandable. Officials at Banco Cisf, a Portuguese investment bank, estimate that 1 trillion escudos (\$6.36 billion) will be invested in the country's water sector between 1994 and 1999. A total of 300 billion escudos will go into high-pressure water supply networks, of which 240 billion will be supplied by EU and

Portuguese government

About 700 billion escudos will be spent on low-pressure distribution systems, with 300 billion being provided in ald. Similar projects are under way in various sectors of environmental improvement and protection throughout the poorer countries of Eu-

Portugal's green agenda Reflecting Southern Europe's concern about protecting natural assets, Portugal unveiled a National Plan for Environmental Policy in November. Backed by a budget of 100 trillion escudos.

about half provided by the EU, it determines objectives to the end of the century and delineates the most important projects to be undertak-

Teresa Gouveia, Portugal's minister of environment and natural resources, says important aims of the plan are to encourage productive sectors of the economy to make environmental concerns an integral part of their business strategies, improve coordination of environmental protection with territorial planning and make the protection of natural assets a national concern.

Peter Wise

SPONSORED SECTIONS **European Union**

Banking / Breaking Down Borders

Migratory Financial Products

Rather than setting up branch operations in other countries, Europe's finance houses are using cross-border electronic systems to enter hitherto closed national markets and to offer products and services directly, on-line, to European Union con-

(c.)

e de la regerga

er er ja ve

Inter-

11111

anne Prende

lerlin

/ork

2000 ST

-- -- ---

1-1-1

7.5

÷ +<u>+</u>1--

The Paragraph

The result has been a belated, indirect realization of the single market's aim of increasing access to financial products and lowering the costs of financial services.

While many of the EU's national banking communi-ties ensconce themselves behind a wall of high fees, a number of pioneer banks have been using standard on-line technologies to effect a revolutionary reduction in the costs of conducting transnational business in Eu-

Cause and effect

In early October, Germany's Handelsblatt financial daily announced that "EU bank transfers are getting more and more expensive." It reported that these transfers now cost an amazing 25 percent of the total transfer amount, a full 2 percentage points more than last year. The source of these figures was the European Commission itself, which chastised those charging the exorbitant fees, saying that they fly in the face of the spirit of the angle market.

A concurrent headline in Munich's Süddeutsche Zeitung announced that a consortium of four leading European banks had put the Continent on the way to real-time banking." The new Inter Bank On-Line System (IBOS) will provide bank customers at 2,000 outlets in Britain, Spain, France and Belgium with a way to instantaneously and inexpensively pay international bills or transfer funds on a point-topoint basis. This provides an alternative to the SWIFT system, which routes all transactions via a central clearinghouse and is thus relatively

in subsequent moves, several major American banks active in Europe have announced their intention to link up with IBOS. Germany's trade papers are speculating that the country's Landesbanken (state-level, publicsector-owned banks) are also jockeying to join.

Virtual bank accounts

Going IBOS one better, Standard Chartered Bank is now offering what amounts to the first "virtual account" to its customers. According to published reports, these customers first establish an offshore account with the bank and then draw funds and conduct other transactions via a debit card and the nearest on-line automatic teller. no matter what country the teller happens to be located

The retail stocks and securities sector is also undergoing changes. Until recently, private investors in Europe wishing to purchase stocks not registered in their home countries often had to rely on

sending checks and binding orders to correspondent brokers and other relics from the Age of Paper, or on purchasing "country funds." in the United States, these mutual funds are sold at a discount and without any handling charges, but most of Continental Europe's brokers charge a hefty markup on

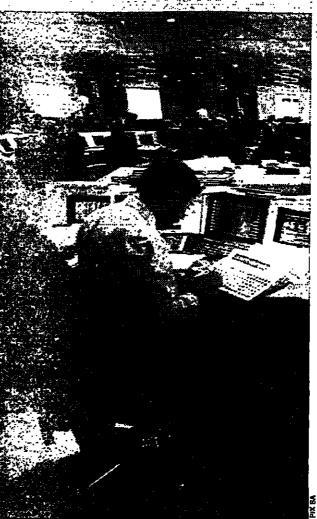
Screen-swapping

Enter the "extendible electronic trading floor." In this arrangement, an exchange (by way of example, Germany's Deutsche Terminborse) allows foreign brokers to plug into its on-line transaction clearing and settlement system. In a popular variation, two exchanges simply "trade screens." In effect, this makes each exchange's broker a fullfledged member of both - all via electronics,

These technologies have been in place in Europe's interbank and interbroker sectors for some time. The only change has been to extend them into the retailing sector.

International products Meanwhile, Europe's finan-

cial products have been doing quite well on the international front, thanks to the growing openness created by the single market. British and Danish fixed-rate deposits have become bestsellers in France and Germany. In turn, demand from abroad for Germany's 1,500 mutual funds has been intense, with foreign buyers representing the fastest-



Calculating the cost of conducting transnational business.

growing segment of this market, according to Germany's association of investment companies.

Backed by a Europe-wide marketing campaign, Germany's Pfandbriefe (mortgage bonds) have also been riding a wave of interest from abroad.

Non-German buyers are reported to partially account for the recent surge in the bonds' sales, which are now running 22 percent higher for the year.

Terry Swartzberg

The Underlying Ties That Bind the Union

New Members / The One That Got Away

whether or not to join the European

Union, 1994 was seen as a crucial year

Finland and Austria would show the

world that the EU, in spite of the col-lapse of its ERM monetary framework

and continuing recession, was still an

Now the voting is over and the Union

scored three out of four - not perfect, but

satisfactory. Norway was the only country

to vote against joining, by a margin of 52.2

percent to 47.8 percent, but then it was al-

ways the country most likely to say no,

having done so once before, in 1972. Eu-

ropean Commission President Jacques.

Delors has, however, left the door open for

Norway, saying that after the intergovern-mental EU conference in 1996, new appli-

Austria was the first of the four to vote,

choosing "Yes" by a majority of two to one.

Finland then held the first of what would be three referenderns in quick succession.

across the Nordic region, on Oct. 16 vot-

ing to join by 57 percent to 43 percent. On

Nov. 13, the Swedes came in with a 52.2

attractive group to join.

cations would be considered....

A Hole in the Nordic Bloc

With four countries voting on percent to 46.9 percent vote to join. Two

tor the EU's fortunes. A positive vote arrangements. The Nortic countries have from the citizens of Sweden, Norway, long valued their close cooperation, but

Continued from page 9

EU member countries have agreed on their timetable for the establishment of a single currency, which could happen as early as 1997. Moreover, the European Monetary Institute - the precursor of the European Central Bank - is now installed on the top three floors of its tower block in Frankfurt.

Hardly any of the EU member states currently meet the Maastricht treaty convergence criteria, which have to be satisfied before they can join the proposed monetary union. Broadly speaking, these specify a maximum budgetary deficit of 3 percent of gross domestic product and government borrowing of not more than 60 percent.

Social costs

The welfare costs of the recent recession account for much of the problem. Recovery is under way, but EU governments are all finding it difficult to explain to their citizens why they now have to

cut back in sensitive areas such as pension provisions in order to meet the Maastricht criteria. The long-term competitive advantages that are supposed to arise from these sacrifices may look decidedly remote to men and women who have been paying their taxes and social security contributions for the last 20 or 30 years.

In Spain, for instance, the government is cutting back at the national level but allowing expenditure by regional governments to continue," says Femando Cortinas, economics professor at the Instituto de Empresa in Madrid. "In my view, it could well take another 10 to 15 years before European countries will be in a position to form a monetary union."

The equation is further complicated by the rising tide of applications for membership. The arrival of Sweden, Finland and Austria, whose economies are broadly similar to those of current EU members, poses relatively few problems, but applications from Eastem Europe and the Mediterranean stir up more fundamental questions.

Keith Foster

weeks later came Norway's 'No vote...
This "No" affects two cross-bodder

long valued their close cooperation, but with Norway and iceland nowoutside the EU, that good-natured relationship may

be tested. Should conflicts arise, to whom

will EU members snow greater loyalty?
It also scuttles the idea of building a
powerful Nordic voting bloc within the ELL.

Sweden's prime minister, Ingver Calls-son, said he particularly regrets not being

able to work with Morway on issues the unemployment and the environment with

in the Union, although Finland is certain to support initiatives on those trents.

have pledged to take up is the secrety in:

the EU's decision-making process. Scarr-

dinavia has a tradition of open govern-

ment and public access, and it will seek to

spread that idea to Brussels. The region-

will also press for support to larmers and.

others in the sparsely populated northers areas. Finland's Prime Minister Eski Ario

has called for a completely new EU policy

One issue both Sweden and Finland

Union at any speed

to meet Arctic needs.

"Ultimately, the Europe of the 12 is going to become 28 or 30," says Mario Telo of the Institut d'Etudes Européennes in Brussels. "It will take many years before some of the new members will be in a position to join the central economic and monetary mechanism, yet they will all be represented in the EU institutions. This clearly calls for difficult reforms in the way the Union operates. An obvious temptation in an enlarged

and ever less cohesive Europe will be to slip back toward a looser association of member states. Some favor this idea already. The concept of a multispeed Europe in which the strongest and most willing members lead the way to closer union offers one possible alternative. This brings the focus back to a small cluster of rich nations at the heart of Northern Europe grouped around France and Germany



"EUROPEAN UNION"

was produced in its entirety by the Advertising Department of the International Herald Tribune.

WRITERS: Keith Foster is a freelance writer based in Sweden. • Anna Francis is a freelance writer based in Amsterdam. • Timothy Harper

is a writer and lawyer based in Ridgewood, N.J., who writes on international politics and economics. • Catherine Hickley is a financial

and business writer based in Budapest. • Joshua Jampol is a freelance writer based in Paris. • Annick Lia is a correspondent for Euroil

based in France. - William Pitt is the author of "More Equal than Others; A Director's Guide to EU Competition Policy," to be published

in Britain by Director Books in December. • Michael Rowe is a Paris-based financial and business writer. • Terry Swartzberg is a

business writer based in Munich. . Peter Wise is a freelance writer based in Lisbon.

PROGRAM DIRECTOR: Bill Mahder.

This is not a camel.

Not long ago, the European businessmen thought banking in the Orient was all about camels and merchants. A misperception? Not at all. Just a century ago, the small banking district in Istanbul -then the capital city of the Ottoman Empire- was crowded only with Europeans who knew their trade. But not any longer. Today, istanbul is a centre of world banking and commerce. And Turkish bankers are talking CAMEL ratios, not camels.

If you would like to know where Turkish banking stands today, please ask how Garanti Bank figures on the CAMEL Rating System (Capital, Asset quality, Management, Earnings, Liquidity). As one of the pioneers of the dramatic change over the last half a century, we will show you how globally competent a Turkish bank can be.

63 Büyükdere Caddesi, Maslak 80670 İstanbul / TÜRKEY, Tel, Fax. (90-212) 285 40 40 Telex: 27635 gatı-tı



and trade. It is mainly because of this last factor that so many East European corporations have their international head offices here. Times have changed — but Vienna remains Vienna!

Should you have queries or require any inlormation on the busitact the information centre at th

VIENNA BUSINESS PROMOTION FUND, Ebendorferstrasse 2, A-1082 Vienna, Tel.: +43 (1) 4000-86794, FAX: +43 (1) 4000-7070

VIENNA BUSINESS PROMOTION FUND



In just four years since reunification, the former East Germany has become one of the most attractive locations in Europe for international investors. One of the prime reasons is its new and advanced telecommunications infrastructure, the most sophisticated in the world. And the speed with which Deutsche Telekom has put it all in place is in itself a feat of engineering unparalleled in the world of communications. Currently, no fewer than 100,000 new telephone lines are being connected every month – over twenty times more than in the old German Democratic Republic. The telephone infrastructure for Eastern German industry is already fully established. 75% of all local networks have been com-

Tel.: +44 71 287 17 11 Fax: +44 71 287 50 99

New York, NY Fax: +1 212 424 29 89

Tel.: +81 3 52 13 86 11 Fax: +81 3 52 13 86 32

Tel.: +33 1 44 43 00 00 Fax: +33 1 44 43 00 10

Brussels Tel.: +32 2 775 05 11 Fax: +32 2 775 05 99

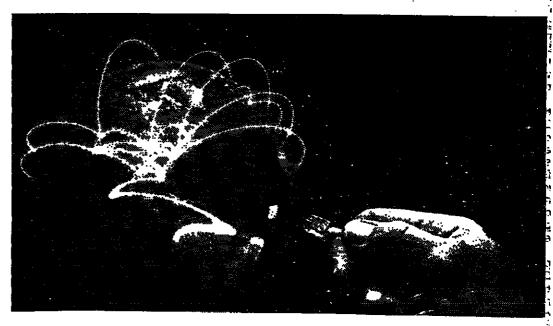
Singapore Tel.: +65 538 80 78 Fax: +65 539 63 97

Tel.: +7 50 22 56 51 09 Fax: +7 50 22 56 51 10

pletely overhauled. Data lines are now available in every area. And the same applies to mobile networks, radio, television and, from 1995, ISDN - the Tel.: +1 212 424 29 00 new nervous system of European industry. In high-performance fiber optics technology, Eastern Germany even leads the field. As the world's first network

> operator, Deutsche Telekom is bringing fiber optics right to its customers' doorsteps in the eastern part of the country. So a sound basis has been created for a secure and successful future. Now it's up to investors to make a shrewd decision on where to set up business.

> Telecommunications made in Germany.



The Viseg

We tie markets together.



European Union

Lobbying / Earning Legitimacy

The Rise of EU Lobbyists

Union is coming of age. Long regarded with disdain by Continental European businessmen, lobbyists are at last winning respect in boardrooms throughout the EU.

The idea of farming out lobbying to external consultants reached Continental Europe from across the Channel and, earlier, from across the Atlantic. In the United States, political lobbyists are a major force in government - so much so that Congress is regularly lambasted for being in thrall to special-interest groups employing high-powered con-

In Britain, lobbyists carry less clout, but their power is waxing. The defeat in early November of government plans to privatize the Post Office is widely attributed to effective lobbying by the postal workers' union.

On the Continent, political lobbying has been no less intense, but more discreet. In Germany, powerful trade associations still rule the roost. In France, Italy and Spain, huge swathes of industry have historically been under state control. Lobbying was often little more than a matter of a few well-placed telephone calls.

ISE_d

ગા (લીક

elitist educational system

Professional political binds industrialists and politicians together. The so-called cians together. The so-called énarques (former students of the Ecole Nationale d'Administration) or polytechniciens (former students of the elite ecoles polytechniques) rarely need professional lobbyists to communicate with

> But the picture is changing. "Lobbying is now well-estab-lished in the Netherlands and is developing very rapidly in Belgium and France," says Simon Gentry, a senior account executive at European Strategy, one of the leading British firms of political lobbyists active in Europe.

This trend was well-illustrated by the experience of Compagnie des Machines Bull, the French computer manufacturer. When Bull decided earlier this decade that its survival depended on a capital injection of 4 billion francs (\$740 million) from its main shareholder, the French state, it had to square the deal with the European Commission. To help it do this, Bull hired GJW Europe. the Brussels arm of GJW Government Relations, a leading British firm of political lobbyists.

The European Commission approved the capital injection, plus 2.68 billion francs in additional grants, in July 1992. Before long, Bull was back for more - a further 11.1 billion francs in aid was In France in particular, an approved by the Commission in October this year.

Eastern Europe / Patience

The Visegrad Four: Waiting for the Call

When Jozsef Antall, the Hungarian prime minister at the time, predicted in 1990 that Hungary would be a member of the European Community in 1995, his forecast did not sound entirely unrealistic. But with 1995 just around the corner, it is clear that for Hungary, as well as yr Poland, Slovakia and the Czech Republic, joining the EU is still a long way off – despite their associate membership status and applications for full membership.

Economists agree that the transition period from planned to market economies in Eastern Europe has taken much longer than was anticipated at the start of the political reforms - and is still by no means over. In the four Visegrad countries - the term refers to a cooperative agreement signed in that Hungarian town in 1991 - privatization is only 50 percent to 60 percent complete, and currencies are not yet convertible. Many loss-making, state-owned companies are still in dire need of restructuring. According to Professor Richard Baldwin, author of the recently published book "Towards an Integrated Europe," the biggest obstacle is the lack of experience. "These countries are being run by people who had no idea about how a government runs a market economy until five years ago," he says. "The human capital is missing because it hasn't had time to develop."

Fulfilling the prerequisites

in Hungary, further hardships for the population are expected as the new Socialist/Liberal Democrat coalition government tackles the gaping central budget deficit.

The Czech Republic, which has so far experienced a relatively smooth transition period, is expected to undergo major economic restructuring when the currency is made convertible - probably next year.

Slovakia is struggling with political instability and the legacy of an obsolete armaments industry. Foreign direct investment has slowed down, and growth is sluggish. Poland, by far the largest and therefore the most important market for the EU, is experiencing industrial growth and increasing foreign investment, but at the same time is fighting escalating wages and

In some respects, however, the Visegrad economies are more developed than those of some EU member countries: GDP per capita, for example, is lower in Portugal than in Hungary or the Czech Republic. Inflation is lower in the Czech Republic than in Greece or Italy. "No real criteria have been set by the EU," says Tamas Novak, a research fellow at the institute for World Economics in Budapest. "They didn't tell us what we should do if we want to join the EU, except to create political stability and economic growth. But to what extent?"

Legislation is one area the Visegrad four are attempting to quickly bring into line with EU norms. But Central European economists accept that there is little their countries can do to speed up the process of integration with the EU. "In the end, full membership in the EU for the Visegrad countries is a political issue, says Andras Koves, a leading Hungarian econo-

mist and director of the Kopint-Datorg research institute in Bu-dapest. "I don't think that it is within the capacity [of the Visegrad countries] to influence the decision. But they can influ-Now the most optimistic forecasts by Central European ence the conditions."

politicians put the date for full EU membership at the year 2000. But even this is a pipe dream, according to Professor Baldwin. This is entirely unrealistic, he says. "If you take membership in the year 2000 for the Visegrad countries as a given and calculate the budget costs to the EU, it would mean an increase in the budget of 60 percent." Within the context of the recent bitter debate in the House of Commons over raising the British contribution to the EU from 1.0 percent to 1.1 percent of the GDP, a 60 percent rise in the EU budget over the next five years seems a farfetched prospect, he adds.

Mr. Koves says he cannot speculate on the timing of EU membership for the Visegrad countries. There is a belief that full membership is in the interest of Central Europe but not in the interest of the Union. This is not a correct picture - relations are of mutual interest and are much more complicated, and basically that's why I think that in the final analysis there

won't be any question of not joining," he says. Professor Baldwin says he also believes that despite the obstacles, the Visegrad four will eventually join the EU. He puts the time scale at around 15 to 20 years from now. "There is a political drive toward it - a vision of Europe," he says.

"Politics is the engine, economics is the brake." Catherine Hickley

Competition policy has long been a major battleground between industry and politicians in the European Union. Mergers, joint ventures and state aid are often

hotly contested, as lobbying consultants promote the commercial interests of their clients. Other contentious areas of policy-making include environmental legislation and employee-protection legislation.

عيكذا من الاحل

More votes to sway Recent changes in the European Union have generated even more work for lobbyists The expansion of the EU eastward into Austria and northward into Scandinavia

is making it harder for firms to influence votes in the Council of Ministers; no longer are one large country and two small ones sufficient to block legislation. "We are all very busy at the moment," says Patrick Brooks, a director of

A major source of debate among Brussels lobbyists is



where power will be concentrated over the next five years. The departure of Jacques Delors at the end of this year as president of the European Commission is widely expected to end an unprecedented period of

"The Commission will probably be much weaker in the long term," predicts Mr. years, Europe is going to be ground, he says

centralization in Brussels.

going through an intergovemmental phase."

The governmental angle Mr. Gentry is not alone in arguing that an office in Brussels will not be enough to win arguments in the new, enlarged European Union. Lobbyists need to pay more attention to putting their case across to member state gov-Gentry. "For the next five ernments on their home

This creates obvious difficulties for even the most well-resourced lobbying firms. The cost of maintaining offices in every capital of every member state in the European Union would be prohibitive. At present, nobody even tries; all the lead-

respondent relationships with other lobbyists or with law firms around Europe. The strength of these rela-

ing firms rely heavily on cor-

tionships is likely to be tested to the limit in the years to come. "Eighty-five percent of measures adopted by the European Union start in the member states," says GJW's Mr. Brooks. "The most successful kind of lobbying is stopping something from

Code of conduct One potential brake on the success of professional lobpoor image in some countries. In an effort to distinguish themselves clearly from the "cowboy" outfits so often said to lurk in the back streets of Brussels, a group of the leading firms recently promulgated a code of conduct. They included the U.S. Hill & Knowlton and British firms Charles Barker, GJW

and European Strategy.
William Pitt

Lour customer is overflowing with information.

Are you harnessing it to power vour business?

To generate revenue you need customers. To generate customers you need information: What products and services do your customers want? When do your customers want them? How do your customers want them? Are your customers receptive to new offerings? Are your customers amenable to increased sales content? Indeed, who are your customers? Unisys is proud to introduce a unique and powerful new way to answer these vital business questions: CUSTOMERIZEsa.

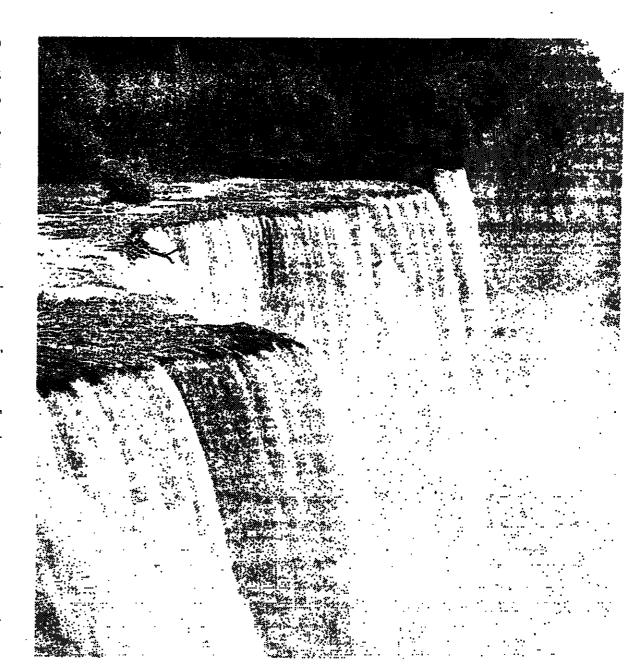
When you CUSTOMERIZE your organisation, you pervade it with a customer focus. Through the marriage of information to customer service goals, Unisys can help you translate that focus into realworld results. Experienced Unisys consultants will help conduct a CUSTOMERIZE assessment of your

strategy with your customer service goals - the Unisys Customerize philosophy. organisation, evaluating your capacity for under-

cus-tom-er-ize Align information

standing customer needs and responding rapidly to them. Helping you move information technology capabilities to the front line of customer contact, we'll enable you to create a significantly more effective flow of information between you and your customer - and back again.

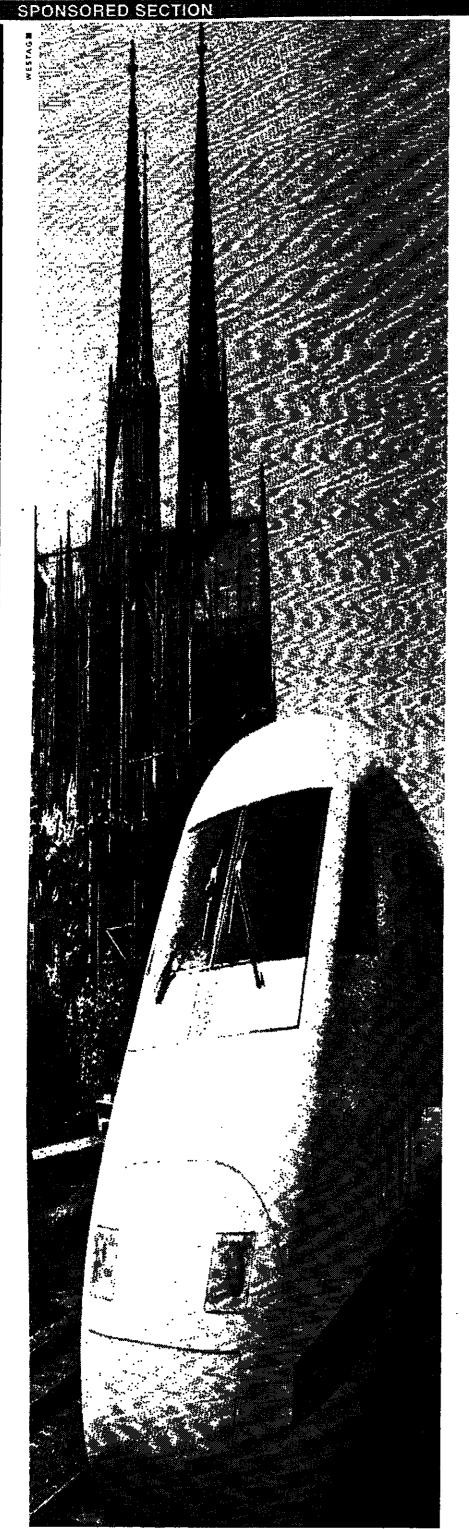
The benefits are tangible: enhanced ability to



win customers, to maximise customer relationships, sustain customer loyalty, and tailor market-sensitive

We make it happen.

new offerings. Competitiveness is sharpened. And revenue goals are brought within reach. Fax Graham Roberts on (44) 895 862807 and ask for a CUSTOMERIZE Information Pack. Discover how a CUSTOMERIZED flow of information can yield a torrent of competitive advantages for your business.



High-tech connections, excellent prospects.

Investors wanting swift access to the To find out more about how Cologne European market will find Cologne with its sophisticated infrastructure and central location an ideal stepping stone. Between them, Cologne/Bonn airport and Düsseldorf airport just 35 km down the autobahn service more than 200 destinations worldwide. At Cologne Central Station, the hub of the West European railway network, you'll find frequent trains to all European centres. Before the decade is out, travelling times between Cologne, Paris, London, Amsterdam and Brussels will be slashed by new, advanced high-speed trains. Cologne and its airport will be integrated into the network served by Germany's ICE super train, for significantly faster travelling to and from Frankfurt. Moreover, ten autobahns radiate from Cologne and its ring road, carrying your products far and wide, while another essential artery of the European economy, the Rhine, flows straight through the city's heart.

could be your high-tech connection, just write, fax or give us a call.

Stadt Köln Office of Economic Developmen Richartzstr. 2-4, 50667 Köln, Germany Telephone: (0)2 21/2 21-61 23, Fax: (0)2 21/2 21-66 86



European Union

Networks / Patching Through the Competition

Telecommunications Race: Regulation vs. Technology

Thanks to a recent EU decree, 1998 is looming larger and larger. Many companies, however, are not waiting for the removal of the last national restrictions on the telecommunications market to launch advanced new services and to take on new markets. Among them are the Continent's powerhouse national telecommunications companies.

"A historic decision," is how Wolfgang Bötsch, Germany's minister for post and telecommunications, labeled the decision made by the EU's council of telecommunication ministers on Nov. 17 in Brussels. The council unanimously

agreed to add the national telecommunication networks to the list of monopolies being dismantled as of Jan. 1, 1998. For such national companies as DBP Telekom, France Telecom and Spain's Telefónica, this would seem a major blow.

Their exclusive access to their nationwide networks purportedly represents the national telecommunications companies' final competitive advantage. The previous decrees associated with 1998 had given their competitors carte blanche to offer a wide range of customized and standard services in the EU countries. Until the recent decision, however, the competitors were going to have to offer those services via the national grids, assuring the telecommunications suppliers ample rental incomes.

patch directly into the systems, placing them on equal footing with the national com-

The letter of the law

The new decision sounds

revolutionary and sweeping. In fact, it is not final and it does not immediately affect all of the EU or authorize the setting up of alternative "voice" networks, pegged to be the hottest segment of the market in the late 1990s. This omission has angered the consortia planning such networks. In a key point, the decree's importance is being superseded by developments on the telecommunications market that, instead of weakening the national companies, should actually strengthen them.

As Mr. Bötsch himself points out, the decree still lacks the enabling legislation and various approvals that will make it official policy. This legislation will presumably be contained in the second "green book" on telecommunications, due to be submitted by the European Commission by the end of the month. The decree will not take effect until 2003 in Spain, Greece, Ireland and Portugal, and in 2000 in Luxembourg.

Voice monopolies

For six of the EU's strongest telecommunications countries (including newcomers Sweden and Finland), the decree, by not allowing the

Now, presumably, the providers will be able to peting "voice" (standard telephone) networks, indirectly

"A windfall in disguise," is how the decree is being described in Germany's trade press. Analysts have been quick to note that the national companies will probably demand and receive huge sums of money in up-front compensation for the "depreciation" of their most lucrative asset, plus a percentage of total revenues arising from ongoing use of the network.

Multiplying technologies For other observers, the whole issue of who gets to operate which standard, terrestrial-based voice networks "is becoming increasingly irrelevant," according to Steven Garside, a Munichbased telecommunications consultant. "The 1998 discussion basically applies to only one area of an increasingly diversified telecoms market, which is currently undergoing a historic multiplication of carriers and carrier technologies," he says. "Operating in many of these new market segments requires large amounts of capital and systems expertise, and that's precisely what Europe's national telecoms have."

preserves the monopoly.

Mr. Bötsch has answered these criticisms by pointing out that further measures addressing these problems are in the works. Specifically, he has predicted that progress toward authorizing "alternative networks" will be made over the next few months.



One example of a diversification of carrier technologies is the proliferation of dedicated satellite-based communication networks, of which there are now 20 in Germany alone. Nearly all of them use the highly mobile VSAT (very small aperture terminal) technologies in the setting up of flexibly configured proprietary networks for car dealers, gas stations and freight

Internal diversification

As for diversification within national markets, Spain has committed itself to licensing two mobile telephone networks by the end of 1994. One of them will be owned by the national company Telefónica, the other by one of five consortia. By 1998, the Spanish government

wants to have authorized another "standard" telecommunications company to compete with Telefonica.

Privatization and open competition are coming to all of Europe's national markets. even to such relative laggards as Portugal and Greece. With difficulty and delays, both countries are proceeding with the privati-zation of their national telecoms and expansion into new segments.

Meanwhile, the well-developed national markets are getting more and more networks. Germany's fourth major mobile network started operations in May. Followingsuit, France is now licensing a third mobile telephone network, due to go into operation by the beginning of

Media / The Final Frontier

Broadcasters' Dilemma: Freedom or Free-for-All?

Since its original "Télévision Sans Frontières" directive in 1989, the European Commission has been trying to inspire a more efficient media in-

dustry. The European Commission's most recent media paper, published last spring, gave new guidelines calling for the industry to liberalize and toster new services and cooperation. Papers like these offer far-reaching recommendations for Europe as a whole. But since the individual countries are so disparate, European media efforts may not be harmonized for some time.

Meanwhile, a fast-moving industry will not wait. Unable to count on a European superstate to lead them, nations are meeting the media rush on their own. Sometimes it works; sometimes it feeds Euro-friction.

The digital revolution

The revolution started a decade ago, with cable and satellite services opening up competition among broadcasters. Today, companies are positioning themselves for digital technology. With digital communications, companies that control both software (programming) and hardware (delivery systems) will dominate.

Cross-ownership is inevitable in this brave new world. Already, print proprietors like Pearson and Reuters are expanding into business television. Small European producers are busily engineering cross-border links before digital comression onno of channels that could bury many modest media outfits.

Global competition

"In Europe, we're just not competitive on a global scale," admits Pierre Grimblatt, president of France's Hamster Productions, which has sought European partners to form a major studio, Hollywood-style.

Fattening the TV companies is openly promoted by governments. France and Britain last year passed laws easing restrictions on owning TV licenses. An amendment to Britain's 1990 Broadcasting Act made it legal for one person to control two stations. France effectively doubled the amount of shares in a TV company an individual can own, from 25 percent to 49 percent. The two nations, among Europe's most active markets, are seeking more freedom for the sector, which is predicted to experience high growth.

Increased holdings mean fewer players and greater concentration. This reminds many of the days when European broadcasting was state-run, and has some wondering if the industry is on fast-forward or rewind. Private media congit

merates began appearing before the dust settled on crumbling state monopolies in the 1980s. Today's large, vertically integrated goliaths eniov economies of scale and exist in every country: Hachette in France, Bertelsmann in Germany, Elsevier in the Netherlands, Berlusconi in Italy. They are international players, since the EU's single market - and its free movement of goods and services - promotes pan-European activity. They combine audiovisual production and distribution with publishing and computer software, often more. Many reach megasize by swallowing

smaller fish abroad. At the same time, however, they serve the national interest by protecting their home markets from foreign multimedia conglomerates

concentration continues, countries are becoming more vigilant. "Companies are being used as shields," observes Jakob Stelgelmann, a program buyer for the stateowned Danish Broadcasting Corporation. "There is cultural protection while at the same time we're all saying how European we are."

Free flow of programming Technology will also quell the quota question. The EU currently stipulates that TV channels broadcasting from Europe must air 51 percent European programs. But in 10 years, pay-per-view and video-on-demand will add video-based services of all kinds that will blur the boundaries between home and hertzian entertainment.

Until then, each country must go it alone. Nowhere is the problem plainer than with pan-European TV channels like Turner Broadcastino's TNT/Cartoon Network. The U.S. giant uplinks its signal from Britain, then beams to the Continent - with 100percent American fare, which defies the quota rule. France and Belgium will not allow TNT to broadcast on their turf, branding it "the British

like themselves. As industry Trojan Horse." On the one hand, Britain is seemingly infringing the EU directive, but on the other, France and Belgium could be cited for contravening the free-market principle.

INTERNATIONA

Meanwhile, cultural passions run high, Christian Davin, chairman of France Animation, a top Gallic cartoon producer, says: "The spawn other children abroad. Every nation should have a policy so production is coherent and the rules are obeyed. If there weren't any laws, our children would only see foreign-made shows."

Reinventing the market

Broadcast markets are being reinvented while individual countries struggle to protect ' their home ground. Will the nations be ready when the new age dawns? "Some existing companies will have trouble adjusting, that's for sure," says Mr. Stegelmann. "A lot of broadcasters are closing their eyes to new technology. They talk a lot about interactive TV, but they're not investing in it. They still believe in the old system. This means even more protectionism ahead."

Joshua Jampol

History / The U.S. Model

Not Exactly the United States of Europe

Blood and money, both today and 200 years ago, account for much of the European Union's difficulty in achieving any sort of working American-style

A quick look at cultural and institutional history on opposite sides of the Atlantic helps explain why there is a United States of America today - and why the EU is encountering so many stumbling blocks to its stated goals of closer political and economic union.

Culturally, many of today's Europeans seem to fear that federalism means giving up their national traditions. They are not eager for the type of union that means their currencies no longer exist, or that their own nation's leaders do not have the final say in how and where their soldiers serve.

Radical patriotism America's so-called founding fathers, on the other hand. had no such traditions to protect. Indeed. while national pride remains a stumbling block to a united Europe, the

concept of patriotism was a radical new notion in the American colonies.

While present-day Europeans bridle at the type of central control that allows Eurocrats to dictate how they run their banks or make their ice cream, the signers of the Declaration of Independence were used to a common -English - system of law and justice that was administered pretty much the same in

Massachusetts as in Virginia. Rather than being taught, as Europeans are, about past wars and economic competition with their neighbors, Thomas Jefferson and other Revolutionary-era republicans were fed grammarschool diets of Roman and Greek classicism that glorified the ideal of an enlightened democracy. With so much land in the new country, these scholar-statesmen envisioned a nation of genteel farmers not unlike the model described by the Roman poet Virgil.

For a brief few years, under the Articles of Confederation, the United States did exist in a form closer to today's EU than today's United States of America. States governed themselves with little regard for the federation, even issuing their own money and laying tariffs on goods from other states. New York, for example, imposed taxes on vegetables from New Jersey and firewood from Con-

Commercial imperatives It didn't work. Several states printed vast amounts of currency to help pay off both public and private debts. Between currency fluctuations and internal trade wars, merchants, creditors and traders complained that they could not do business. Congress tried to pass laws to regulate commerce, but without a strong executive or a federal judiciary, the states and individuals simply ignored the new regulations.

George Washington, who turned down a crown to find himself president of a nation in name only, warned of the need for a stronger central government despite widespread misgivings from the former colonies, which were suddenly enjoying their status as mini-republics. In the end. Federalists such as Alexander Hamilton managed to convene the 1787 gathering that met in Philadelphia to tinker with the Articles of Confederation, but ultimately threw them out to write what became the U.S. Constitution.

Central to that new, stronger American federalism, of course, was the tripartite form of government and the system of checks and balances on the executive, legislative and judicial branches. The European Union, in contrast, has been dominated in recent years by its executive arm, the European Commission.

Many American legal scholars believe the new nation might not have survived - and certainly not in its present form - without the U.S. Supreme Court's assertion of its influence in a pair of early 19th-century cases.

In the Marbury vs. Madison case in 1803, Justice John Marshall asserted the federal courts' right to declare a law unconstitutional. Sixteen

years later, in McCulloch vs. Maryland, Marshall set forth the principle that states cannot tax - or otherwise interfere with - the functions of the federal government.

These two monumental rulings, which in effect provided the vitality for the system of checks and balances, at have no parallel in modern Europe, where the European Court of Justice operates -much more narrowly in terms of what it can tell the EU and member states to do.

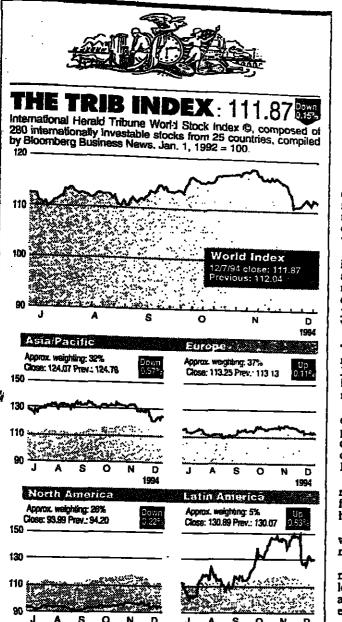
Military issues

The war in Bosnia, whether viewed as a civil war or as act of aggression by one nation against another, presents the EU with a troubling and divi- -sive obstacle. Politically and diplomatically, the EU hardly -. seems prepared to present itself as a true union when itcannot resolve the war in its :

own backyard. In America, on the other hand, the young nation's first war, in 1812, was against that familiar old enemy, Eng. land. It was a costly but unity-

Timothy Harper"

International Herald Tribune, Thursday, December 8, 1994



sstralia, Austria, Belgium, E any, Hong Kong, Italy, Mexi sein, Sweden, Switzerland

	Wed. close	Prev. ciose	% change		Wed. close	Prev. ciose	% chang
Energy	111.57	111.68	-0.10	Capital Goods	112.90	112.73	+0.15
Utilities	125.24	124.74	+0.40	Raw Materials	128.68	129.08	-0.31
Finance	113.02	113.41	-0.34	Consumer Goods	102.63	102.82	-0.18
Services	111.35	111.56	-0.19	Miscellaneous	115.04	114.68	+0.31

O International Herald Tribun

Greenspan Warns of Inflation

WASHINGTON - The U.S. economy is growing more quickly than anticipated and inflationary pressures are building, Alan Greenspan, chairman of the Federal Reserve Board, warned Wednesday.

He said that consumer-price inflation, at a 2.6 percent annual rate during the first 10 months of 1994, had not changed appreciably from last year but that price pressures were clearly evident.

Prices of raw commodities "have been rising rapidly for nearly two years," he told the Joint Economic Committee in his first congressional testimony since July.

Mr. Greenspan's comments echoed the Fed's quarterly report on the economy — the so-called Tan Book — which is compiled by the 12 regional Federal Reserve Banks.

He said increasing demand may encourage producers of finished goods to pass on their higher costs to consumers.

Mr. Greenspan's assessment was seen by some as a sign of more rises in interest rates. "Inflation is here, and there's

no way of getting around it any longer," said Astrid Adolfson, an economist at MCM MoneyWatch in New York. Congressmen urged the Fed

to show restraint. The Federal Reserve should be very cautious about making any further increases in interest-rates before seeing the impact of its recent strong actions," said Representative Kweisi Mfume, a Democrat from Maryland who is chairman of the joint committee.

The Fed raised rates for the sixth time this year on Nov. 15, by 0.75 percentage points.

Separately, the Labor Department said productivity of

American workers rose a revised 2.9 percent in the third

(AP, Bloomberg)

Growth: Now Korea Pays **Accidents Show the High Cost of Haste**

By Steven Brull nal Herald Tribuni International Herald Intune
SEOUL — The underground gas explosion here that killed at least four and injured dozens Wednesday was but the latest in a string of disasters that underscore

has taken in its mad dash to economic growth — and the unpaid bills that are coming In October, the 15-year-old Songsu bridge spanning the Han River in Seoul collapsed, sending 32 to their deaths.

the shortcuts South Korea

Three days later, a cruise ship caught fire, killing 50. Earlier in the year, a Korean Airlines plane crash-landed at an island off the southern coast, and two longdistance trains collided.

In Seoul, several buildings are said to be on the verge of collapse because of faulty concrete, subway tracks are out of alignment, and clogged highways resemble parking lots. Wednesday's gas explo-sion occurred after gas leaked from a storage tank near a

subway construction site. The disasters and decay are testimony to an infrastructure that was built on the fly, has been poorly maintained and is now overwhelmed.

"In the 1960s and 1970s we were in such a hurry that the main emphasis was on shortening the construction period and saving money," said Il SaKong, chairman of the Institute for Global Economics and a former finance minister. "Now we're paying the price of high growth."

The cost of repair and im-

proved maintenance is unknown but will eventually be borne by taxpayers. In addition, the government plans to spend as much as \$110 billion for new infrastructure in 1993-97, including a highspeed railway linking Seoul and Pusan and a new international airport near Seoul. It is not only the infrastructure, however, but South Korea's economic structure and strategy that are in need of

Having grown far richer than most people would have imagined three decades ago, when the country ranked

Autoworkers call a strike over Samsung's entry into the industry. Page 19.

among the poorest on Earth, South Korea's economy has reached an awkward adolescence - no longer a develop-ing nation, it is not quite a fully developed one.

So, even as the country enjoys its best economic period in a decade - with an 8 percent expansion of gross national product likely this year and 7.5 percent forecast for 1995 — there is a growing conviction that a new formula must be found.

'We're the leading country among the newly industrializing economies and are about to join the ranks of the devel-oped nations," Mr. SaKong said. "But how to jump the hurdle is a big question."

It is an issue that is also likely to engage the other "Asian tigers" — Taiwan, Hong Kong and Singapore as they continue growing at headlong speeds, although those economies are generally more laissez-faire and thus more likely to adapt easily.

"One question is, to what extent is quality control key to sustained growth," said Peter Morgan, chief economist for Korea and Japan for Merrill Lynch. "Maintenance and corruption, these are sand in the gears that make things difficult.'

In South Korea, there is broad agreement that what is most necessary is higher technology and a less regulated economy. But knowing the goal and knowing how to get there are different matters. Seoul's economic develop-

See SEOUL, Page 17

ly modeled on that of Japan.

long period of Japanese colo-

nization before World War

Il, government bureaucrats

began calling the economic shots. They channeled scarce

capital to strategic sectors

and offered a protected home

market to support export-led

But although the strategy

has been a success, Japan no

longer offers a model. It is far

more advanced and wealthier

than South Korea, and its

massive exports and towering

trade surpluses have brought it heavy criticism from trade

Japan's recession also has

underscored the suffocating

effect that highly regulated

domestic markets can have

on development of technol-

Moreover, it is clear that

South Korea's reliance on

growth from massive exports

of capital-intensive products,

its economic dependence on a

group of immense chaebol, or conglomerates, and its legacy

of government intervention in the markets are increasing-

South Korea's economy

has simply become too big for

government to manage. Until

a couple of decades ago, offi-

cials may have served a con-

structive role in helping in-

dustry elbow its way into

international markets. But

now industries are too large

and complex for officials to

Yet the government con-

tinues to exercise control over

credit allocation, interest and

exchange rates. Businessmen

complain of micromanage-

ment by government officials.

and a program to privatize 47

state-owned companies, an-

ly untenable.

ogy and quality of life.

In the early 1960s, as Seoul was starting to recover from the Korean War and from a

Losses on Bonds Erode Profit at Deutsche Bank

By Brandon Mitchener International Herald Tribune

FRANKFURT -- Deutsche Bank AG, Europe's most powerful private bank, reported Wednesday a 15.2 percent decline in operating profit in the first 10 months of the year.

"We would have wished for something better," said Chief Executive Hilmar Kopper. But, fending off charges of lackluster performance by Germany's largest bank, he said the bank expected a "satisfactory" result

for the full year.

Mr. Kopper blamed bond trading losses, the state of the German economy and high taxes for the bank's showing, which included a 27 percent decline in net profit.

"Despite the brightening overall economic climate - especially in Germany - the risk situation in the lending business has not shown signs of lasting improvement compared with the previous year," Mr.

Kopper said. Operating profit after risk provisioning, the figure most German bank analysts follow, fell to 3.57 billion Deutsche marks (\$2.3 billion) from 4.21 billion DM a year earlier.

The bank attributed the bulk of the decline to the extraordinary strength of the previous period. Between 1988 and 1992, average 10-month operating earnings of the bank rose by 0.4 billion DM, or 13 percent, the bank said. In the first 10 months of

1994, however, income from trading on the bank's own account fell 63 percent, to 543 million DM from 1.46 billion DM, largely because of a sharp rise in interest rates worldwide that led to losses in bond trad-

Mr. Kopper said the compa-ny had written down its bond portfolio by 327 million DM in the 10 months. The bank's equi- industry declined.

ty trading result was "very, very good" but not enough to offset the bond trading losses, he said.

Commission income rose 7.4 percent, to 4.87 billion DM, but the bank's net profit in the period fell 27 percent, to 1.35 bil-lion DM from 1.85 billion DM.

Mr. Kopper put the bank's pretax return on equity at around 20 percent and declined to comment on the net return figure, which would be distorted by high tax payments.

Analysts estimated the net return on equity at about 8.1 percent in the period, well below last year's average of 12 percent and a rate of 16 percent for some foreign banks but better than other big German banks

"Next year they'll probably be keen to talk about it because it'll be a fraction higher than usual," said Derek Bullman, an analyst at James Capel.

"Deutsche is much more profitable than the other German banks and has a much higher return on equity." he

Mr. Kopper dismissed criticism of the bank's own-account trading performance, saying, "I'll bet we earn more from trading than all the other big German banks put together.'

Germany's second-largest bank, Dresdner Bank AG, reported earlier in the week a loss in trading for its own account of 301 million DM in the first 10 months, reversing a profit of 536.1 million DM in the yearearlier period.

Deutsche Bank stock fell 2.50 DM to 735.80 in a market that was otherwise slightly firmer.

Regarding the renewed debate in Germany about the power of the banks in German industry and society, Mr. Kopper said the issue was "losing steam" as the average holdings of German banks in German

INTERNATIONAL MANAGER

Workers Try to Find a Voice

By Louis Uchitelle New York Times Service EW YORK — Although millions of people want more control over decisions that govern their working lives, many American workers be-

lieve management has become so powerful that workers will not get that power - even in union shops - unless management grants it voluntarily, according to a new study. The study, to be made public this week in Washington, is already influencing government policies. It found that workers would

prefer to organize into independent groups that are not necessarily unions. Delegates from those groups would sit with managers on committees running workplaces But in real life, most workers said, such committees are effective only if managers

cooperate. To secure that cooperation, a ma-

jority in the study said, they would consent to be represented by groups that are powerless.

Workers want power, and they know management cooperation is the key to having that power, but they don't know how to compel management to give that cooperation," said Joel Rogers, a professor of law and sociology at the University of Wisconsin and a condinector of the study.

a co-director of the study. The AFL-CIO, the largest U.S. labor organization, had an advisory role in the study, which was carried out mainly for a presidental labor commission. Management groups also gave advice. Spokesmen for those groups said they considered the findings accurate.

Labor Secretary Robert B. Reich agreed. "The survey," he said, "reveals that at least in employees' minds, current management practices are an obstacle to productivity gains.

This is a direct invitation to management to

For the presidential commission, the study was important because it interviewed individual workers, not just union representatives.

"We have heard a great deal of testimony from union officials about what they think their members think and from management about what they think their workers think," said John T. Dunlop, the panel's chairman.
"But this is the first statistically valid sample of what workers themselves think on a range of issues of particular interest to the commis-

No labor issue is more central today than labor-management cooperation. Each side favors a greater role for workers in decisionmaking. The big question has been how much independence and power workers should have. The presidential commission is considering

calling for change in a labor law against company-controlled unions. The provision has effectively blocked the

use of labor-management committees at some companies on the ground that managers would too heavily influence them. The study suggests that workers, in their

desire to obtain management cooperation, might accept committees that give managers The findings also shed light on a second issue before the panel. In a preliminary report

in the spring, the commission said the American workplace could not become efficient and competitive until the hostility between labor and management was reduced. The chief source of the hostility, the com-

See WORK, Page 19

Times Co. Gets Into the Age Of New Media

Compiled by Our Staff From Dispatches NEW YORK - The New York Times Co. has embraced the electronic age.

At a media conference spon-sored by PaineWebber Inc., Times Co. executives said Tuesday they expected the company to invest \$1 billion to \$1.5 billion over the next five or six years to acquire television stations and invest in other electronic media businesses, such as cable television programming and providing information on CD-ROM computer disks and on-line services.

We recognize that we are too dependent on print media and need to shift our portfolio more toward electronic media over time," said Gordon Medenica, vice president of operations.

Analysis greeted the announcement as an overdue step by a company that had appeared to not want to move too quickly toward electronic media.

Times Co., with annual revenue of more than \$2 billion, gets about 90 percent of its profit from newspapers and other publishing and 10 percent from electronic businesses such as television stations. Times Co, executives said

any's reliance on electronic media so that ultimately 75 See MEDIA, Page 16

they planned to increase the

Herald Cribune

Expert communicators get more out of iht.

You're expert at keeping in touch with the affairs of the world - as regular readers you spend an illuminating 30 minutes i with your paper doing just that. Last year alone you flew off on over 4.7 million business trips*. So you

also need to be expert at keeping in touch with the affairs of your company. Good news for the mobile phone manufacturers that advertise with us.

They, like you, are expert communicators.

For summaries of the surveys from which these facts are taken, please call, in Europe, James McLeod on (33-1) 46 37 93 81; in Asia, Andrew Thomas on (65) 223 6478; in the Americas, Richard Lynch on (212) 752 3890.

Source: † VIVA Surveys '921'93, * Reader Survey '94

CURRENCY & INTEREST RATES

D.M. F.F. Lire D.F. 8.F.
112 825 0.705 * — 5.67 *
29.545 5375 1797 * 12.3 * — 2
26.57 1.405 * 0.702 * 12.5 *
2.67 1.405 2.575 1.725 9.67 *
1.62 2.576 1.14 * 14.5 *
1.62 5 30.8 * — 92.5 *
1.63 * — 0.327 * 3.67 *
1.63 * — 0.327 * 3.67 *
1.63 * — 0.327 * 3.67 *
1.63 * — 0.327 * 3.67 *
1.64 0.25 0.685 * 276 *
1.65 0.25 0.685 * 276 *
1.65 0.25 0.685 *
1.65 0.25 0.685 *
1.65 0.25 0.685 *
1.65 0.25 0.685 *
1.65 0.25 0.685 *
1.65 0.25 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.685 *
1.65 0.6 1,25 1,755 1,259 1,1834 1,57 2,208 164,545 1,222,8 14,187 1,225 99,5 44,644 1,325 - 1,0414 1,325

Max. pero M. Zeeland i Morw. krase Phil. peso Polish ziely Part. escado Russ. ruble Soudi rival 241.65 7,7342 111.50 31.835 Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 7.742
Hose Kone 5 rent 6.1355

5¼-5% 5¼-5% 6%6% 5%5% 2¼-2% 2%-2½ 6-616 616-246 676-276 5 % 5 % 5 % 5 % 3 months 6 %-6 % 6%-6% 7 %-7 h 5% 6% 6% 7.00 8.61 5% 5% 5% 6% 6% 377.85 377.89 379,20

Dow Jones Averages

Standard & Poor's indexe

NYSE Indexes

NASDAQ Indexes

Dow Jones Bond Averages

High Low Lost Chg.

431.06 427.91 429.20 —1,81

163

Clase Prev

Clase Prev.

AMEX Stock Index

NYSE Diary

AMEX Diary

NASDAQ Diary

Spot Commodities

Advanced Declined Unchanged Total issues New Highs New Laws

High Low Last City.

54.22 535.72 — 2.16 34.22 344.65 — 3.46 149.39 159.03 — 0.19 41.17 41.23 — 0.28 450.01 451.21 — 1.88 419.18 420.73 — 1.29

High Low Lost Chy.

Spot Forward ZINC (Spe Deliars pe Spot Forward

EUROPEAN FUTURES

Metals

metric fon 1108.00 1109.00 1108.50 1109.50 1137.00 1138.00 1137.00 1138.50

Financial

3-MONTH EURODOLLARS (LIFFE) SI million - pis of 100 pct

N.T. N.T. 924 N.T. N.T. 927 N.T. N.T. 928 N.T. N.T. 928 N.T. N.T. 1453 2. volume: 0. Open int.; 4453. INTH EUROMARKS (11FFE) million - pts of 198 pct

94.67 94.67 94.63 95.45 95.45 95.46 95.48 95.48 95.22 95.22

94.27 93.88 93.48 93.19 92.90 92.46 92.46 92.21

- 6.75 - 0.50 - 0.50 Unch. Unch.

MARKET DIARY

Stock Prices Slide Amid Bond Malaise

Complied by Our Stuff From Dispatches NEW YORK - Stocks drifted lower Wednesday, unable to shake off a malaise that came from a steep drop in bond markets and a bankruptcy filing by a California county.

The Dow Jones industrial average fell 10.43 points, to

U.S. Stocks

3,735.52. Earlier in the day, it had been down as much as 27

Analysts said the crisis over the bankruptcy filing, which followed major losses on trading in derivatives, should not significantly affect the market. But the drag was still evident.

"It makes you aware that there are people out there who don't know what they are doing, and by extension, you become less trustful of the market itself," said Trude Latimer, chief market strategist at Ferguson, Andrews & Associates Inc.

Orange County jitters were severe enough to send shares of Merrill Lynch down 14, to 35, on heavy trading — despite an explicit restatement by the brokerage giant that it had not incurred losses related to the fias-

co, which was initially announced late last week.

The Dow

Daily closings of the

Dow Jones industrial average

JJASOND

High Low

NYSE Most Actives

AMEX Most Actives

NASDAQ Most Actives

Vel. High \$5888 1914 \$7187 14% \$6748 4574 \$36748 4574 \$30349 2414 \$2528 4319 \$29280 2676 \$29280 2676 \$2397 3314 \$2940 6376 \$18457 4574 \$18457 4574 \$18401 4074 \$17091 2719

Market Sales

Vol. High Law Last

In the bond market, the benchmark 30-year bond fell 15/32, to 95 16/32, raising its yield to 7.89 percent, from 7.84 percent at Tuesday's close.

Bonds slid amid concern about brisk economic growth and the possibility that its bankruptcy filing might force Orange County to sell securities to raise cash.

The filing "is the crisis this year," said Don Hays, director of investment strategy at Wheat First Butcher Singer. "The bond market can get concerned about anything, and a worried bond market worries the stock market."

On the Big Board, Continental Corp. jumped 44, to 184, in heavy trading after CNA Fi-nancial agreed to buy the com-pany for \$20 a share. McGraw-Hill Inc. fell 11/8, to

65%, after the publishing company said rising paper costs and postal rates would trim 10 cents share from its 1995 earnings. Several technology stocks were down slightly, with MCI drifting 4, to 18%, and Micro-

soft slipping 34, to 63. Unchanged were Intel, at 64½, and AT&T, at 47¼. (Knight-Ridder, AP, Reuters)

County's Bankruptcy **Drives Dollar's Decline**

Compiled by Our Staff From Dispatches NEW YORK — The dollar slipped Wednesday as concern over a financial crisis in Orange County, California, overshadowed sentiment that short-term interest rates would rise further.

The dollar rose initially after

comments by Alan Greenspan, Foreign Exchange

the chairman of the Federal Reserve Board. He told a congressional committee that inflationary pressures were building in the U.S. economy.

His remarks fueled speculation that the Fed was poised to raise U.S. interest rates for a seventh time this year to temper growth. Higher rates often bolster the dollar by making U.S. assets more attractive.

"It appeared this morning that Greenspan's rather robust outlook for the economy may have increased the chances of a tightening," said Bob Lynch, an analyst at MMS International. But the financial problems in

The county filed for bankever by a U.S. county.

The dollar closed at 1.5676 Deutsche marks, down from 1.5724 DM on Tuesday. It also from 5.3995. Against the Swiss franc, it fell to 1.3255 francs from 1.3278.

"I think the dollar is going trader at Sakura Bank. "Orange County is only the tip of the iceberg. The risk that this is the start of a plague that will spread to other municipalities is very

The pound rose against other major currencies after the Bank of England raised British base lending rates half a percentage point, to 6.25 percent.

The pound ended at \$1.5660. up from \$1.5623.

Orange County eroded confi-

dence in U.S. assets. ruptcy after losing a large portion of its investment fund. The bankruptcy filing is the biggest

fell to 99.950 ven from 100.100 yen and to 5.3840 French francs

lower," said Alfonso Alejo, a

Che

Continued from Page 15 stations, two radio stations and percent of profit would come 28 local U.S. newspapers. from print and 25 percent from electronic media.

Last year, Times Co. bought the Boston Globe, the dominant newspaper in New Engthe launch of a new service by land, for \$1.1 billion. At the the Boston Globe. time, some analysts questioned such a large investment in the it had reached a 10-year deal

newspaper business. with the British-Dutch publishing giant Reed Elsevier PLC In addition to The New York Times and Boston Globe, the that freed the Times Co. to use stations were currently selling

MEDIA: Times Co. Outlines Its Strategy for Expansion Into New Media paper in a variety of electronic investment strategy could be services for consumers.

The company operates an on-"Clearly they need to invest line service called Times, dismore in electronic media, in properties. tributed over America Online whatever form, as a hedge Inc., and announced Tuesday against whatever happens to print," said John Morton, a newspaper securities analyst at Last week, the company said Lynch, Jones & Rvan.

CSI-VOIUTIE: 124.171. OPEN RIT.: 193,952.

ID-YEAR FRENCH 60V. BONDS (MATIF)
FF500.001-pis of 100 pcf
Dec 112.24 112.26 112.98 — BUB
Mar 112.42 112.00 112.18 — BUB
Jon 111.46 111.45 111.25 — BUB
Stp 110.46 110.48 110.58 — BUB

industrials

Tod A. Jacobs, a media securities analyst at Sanford C. Bernstein & Co., said television (Bloomberg, Reuters) company owns five television the contents of the daily news- at high prices. But, he said, the \$40 million. (NYT, Bloomberg)

prudent for Times Co. if it did not pay too much for electronic

High Low Lost Settle Ch'es

BRENT CRUDE OIL (IPE)

CAC 40 (MATIF)
FF200 per index p
Dec 2001,00
Jon 2001,50
Jen 2015,50
Mar 2014,00
Lon R.T.
Sep 2017,00
Est. volunce: 71

Dividends

15.70 15.66 15.67 15.70 15.71 15.83 15.71 16.07

Stock indexes

Sources: Matil, Associated Press, London Intl Financial Putures Exchange, Intl Petroleum Exchange,

IRREGULAR

STOCK

STOCK SPLIT

INCREASED

INITIAL

Donaher Corp 2 for 1 split. Rykoff Sexton 5 for 4 split.

Rykoff Sexton n Vodatone Gro ADR n

3006.0-3020.5 3036.5 int.: 64.9:

145.00 145.00 147.75 (Jneh. 145.75 145.00 148.25 + 0.25 148.08 148.00 150.00 + 0.25 150.00 150.00 152.25 + 0.50 152.00 152.00 153.50 + 0.50 154.00 154.00 155.00 (Jnch. N.T. M.T. 157.50 + 0.50

Mr. Medenica said the company remained committed to its newspaper businesses and believed that "newspapers have a long and profitable future in

front of them." Lance Primis, the company's president, said Times Co. was likely to invest \$30 million to

KKR a Step Closer to Borden Buyont

COLUMBUS, Ohio (AP) — Kohlberg Kravis Roberts & Co
and Borden Inc. worked out a deal Wednesday to placate highers
shareholders, knocking down another hurdle to KKR's planned
\$2 billion offer to buy out the company.

As part of the settlements, KKR promised to inite Borden have

\$2 billion offer to buy out the company.

As part of the settlements, KKR promised to inject more months into Borden but has lost \$1 billion in the past two years due to saff competition and high costs.

General Magic to Launch IPO Effort

WASHINGTON (Reuters) - General Magic Inc. said Wednesday it planned to launch an initial public offering of 4 million common shares.

The developer of software platform technologies said net proceeds of \$47.6 million would be used for working capital and general corporate purposes, while a portion might be used to filled acquisitions of complementary businesses.

Nasdaq Criticizes U.S.'s Request

NEW YORK (Bloomberg) — Nasdaq dealers Wednesday called excessive a Justice Department request for records as a continues its inquiry into allegations of price-fixing.

Securities firms that operate on the over-the-counter manie said the department was seeking records detailing money paids other dealers in exchange for securities. It also wants traden phone numbers and has asked firms to disclose traders' and supervisors' compensation and the total number of Nasdaq stocks each firm bought and sold annually.

Santa Fe Struggle Heads for Court

CHICAGO (AP) — Burlington Northern Inc. has taken the battle for Santa Fe Pacific Corp. to federal court. Burlington Northern filed a lawsuit late Tuesday in U.S. District Court in Philadelphia challenging Union Pacific Corp.'s hid

The suit challenged Union Pacific's proposal to put Santa Fe into a "voting trust" that would run the company while federalregulators decided whether a merger of Union Pacific's and Sanja-Fe's rail operations was anti-competitive.

Whirlpool Entering Chinese Market;

BENTON HARBOR, Michigan (Reuters) — Whirlpool Corp. said Wednesday that it was entering the home-appliance market in China with two joint ventures.

The appliance maker said it was acquiring a majority interesting China's largest microwave-oven producer and establishing a joint venture with the country's first refrigerator manufacturer.

Apparel Firms Charged With Bribery

NEW YORK (Bloomberg) - Officials of Anne Klein and eight other New York-based apparel contractors were charged Wednes-

day with paying bribes to the International Ladies Garment Workers Union to avoid contributing to union benefit funds. Two union organizers were charged with taking bribes. Three other union officials were charged earlier in connection with the same investigation, the Labor Department said.

More Firms Have Women Directors

NEW YORK (Bloomberg) - More than half of the Fortune 1,000 companies — and almost all of the most profitable ones + have at least one woman on their boards of directors. A survey conducted by Catalyst, a New York-based nonprofit

research group, found that 58 percent of America's 1,000 largest companies had women directors, 11 percent more than in 1993, Metrocall Bids to Buy USA Mobile

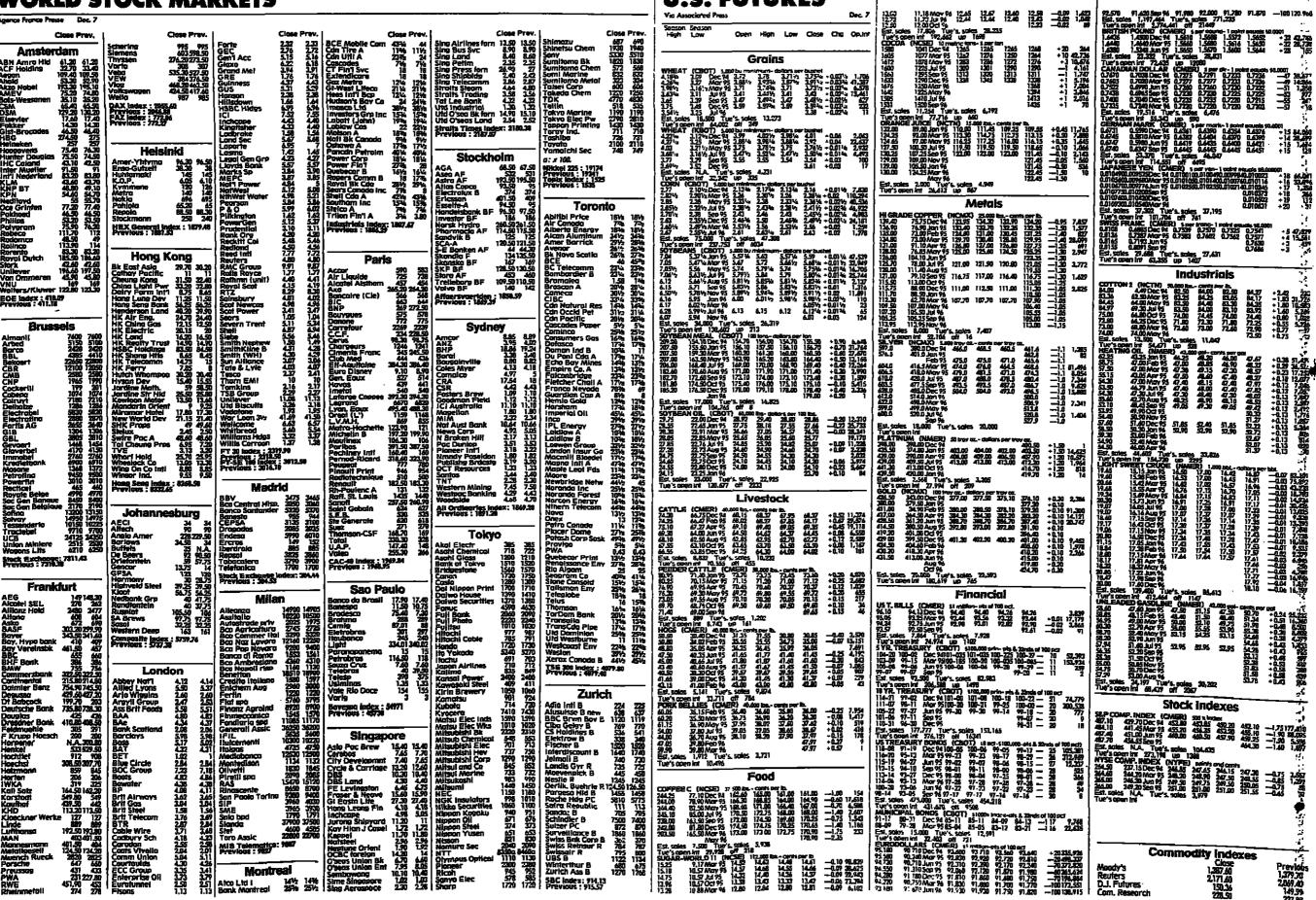
ALEXANDRIA, Virginia (Bloomberg) — USA Mobile Conmunications Inc. had no immediate response Wednesday to Metrocall Inc.'s offer to buy it for \$400 million. Metrocall announced the offer in a letter to USA Mobile's

chairman and chief executive, Janice Fuellhart, saying it would proceed with the offer only on a friendly basis.

For the Record

Forschner Group Inc., which says it is the exclusive U.S. importer of Swiss army watches, is suing retailers Waban Inc. and Orvis Co. for using the trademark. Lehman Brothers Inc. laid off about 200 employees in its trading services division last week, a company spokesman said

WORLD STOCK MARKETS



ion Resc

15 A

ш.

21.25

(Bloomberg)

Request

1 10

· for Coun

 $\widetilde{U}_{k,k} = \sum_{i \in \mathcal{I}_{k,k}} u_i$

linese Marke

d With Bills

- - -

the a Director

EUROPE

Iberia Assets Going on Sale in New Rescue Bid

MADRID — Iberia will put its most profitable assets up for sale to try to avoid bankruptcy, a spokesman said Wednesday, as the airline's management prepared to meet with unions. Iberia said it would contract several international investment houses this week to begin the sale. The assets include the domestic airline Aviaco and the

charter carrier Viva Air. the Iberia's route between Madrid and Barcelona and its handling operations are also among its most profitable operations.

Wednesday to explain its emergency plan.

addition to the assets sale, calls for cutting the work force by 20 Unions warned managers

they would stage more strikes if the plan is put into effect.
"If they plan to go ahead with these cuts, they can expect a correspondingly strong re-sponse from unions," the General Workers Union leader

Candido Mendez said. The previous attempt to save the airline collapsed Monday when pilots rejected management proposals for a 15 percent pay cut. Other unions representing 95 percent of Iberia's

which is due by March 15.

espects of the proposed VSEL sale.

work force had accepted that

Iberia's management was meeting with the unions that had agreed to explain the breakdown of talks with the pi-

Even if the new plan is implemented, layoffs will not be imminent. Spanish law requires a 30-day negotiating period before group layoffs can be authorized. If no agreement is reached in that 30 days, the Labor Ministry has 15 days to resolve the problem.

"The Labor Ministry doesn't Management was scheduled have to accept everything the to meet with unions late company asks for," a ministry

Pricing of Iberia's various committee gave the go-ahead Tuesday for the plan, which, in addition to the acceptance of the most attractive assets will be in a district tractive assets will be a district tractive assets and tractive assets an dling operations, which include passenger and luggage check-in and unloading, maintenance and refueling for most planes that land at Spanish airports.

Almost half of Iberia's staff works in some aspect of handling, and the operation has been estimated to be worth 87 billion pesetas (\$660 million).

Iberia management has said the carrier could go bankrupt in March, after losing more than 150 billion pesetas over the last three years. Its loss this year is expected to significantly exceed 30 billion pesetas.

LONDON - VSEL shares fell 13 percent Wednesday after

the Department of Trade and Industry referred rival bids by

British Aerospace PLC and General Electric Co. for the

The action means the bids are effectively suspended until

VSEL's shares closed down 197, at 1,338 pence (\$20.90).

Michael Heseltine, president of the Board of Trade, said

the department had acted because the bids had raised issues

of public interest and competition in the procurement of

warships. The commission is to investigate only the military

(Bloomberg, Reuters, Knight-Ridder)

the Monopolies and Mergers Commission issues its report,

submarine maker to Britain's antitrust body.

GEC rose 2.5, to 275.5, while BAe fell 4, to 433.

(Reuters, AFP, Bloomberg)

Soft Market for Solid Russian Issue Chocolate Factory's High Standards Don't Aid Stock

By Alessandra Stanley

MOSCOW — Business, like love, is blind. One of Russia's best-known and most respected companies, the Red October chocolate factory, offered \$22 million in stock this week --- the first Russian company to raise equity in a way that meets Wall Street's bookkeeping standards. Yet few investors were smitten.

Within Russia's murky transition to a market economy, Red October shines a beacon signaling that some publicly traded Russian companies are ready to play by Dun & Bradstreet rules. But it has also fallen victim to a callous rule of romance: High standards and a good reputation don't necessarily bring love.

"Let's face it, foreign investors do not come to gamble on the Russian market to earn 10 percent or 15 percent returns," said Jean-Louis Tauvy, a French banker who manages the Kaltchuga Investment Fund in Moscow. "They come for the dream of making 300 percent or noth-Western consultants, he said, had "lost sight of the Russian context" when they adopted Red October as an experiment in Western-style equity financing.

"There are so many companies for sale in Russia at far better prices," Mr. Tauvy continued. "We considered buying Red October but decided against it. Besides, Russians mainly seem to be eating Mars bars and Snickers."

Or, as Bernard Sucher, managing director of the Russian brokerage firm Troika Dialog, put it: "You've got to love Red October to buy it."

Despite the company's exemplary eftorts to enhance its credibility on the international market, he said, he could not coax his clients to buy shares in the chocolate factory.

Russian officials and Western consultants wanted to make the former model Soviet factory, named for the Bolshevik Revolution of 1917, a paradigm for the nascent Russian stock market. Red October was privatized last year and turned over to worker ownership amid great fanfare. U.S. Treasury Secretary Lloyd Bentsen bought a share of its stock for \$20 when he toured the plant in January.

Instead of seeking central bank credits or a joint venure with Western giants such as PepsiCo, Red October issued a secondary offering of stock Monday, floating 3.5 million shares at 20,000 rubles (\$6.25) each to raise \$22 million. The injection of capital was intended to modernize equipment, introduce modern marketing methods, open a chain of re-tail outlets and build a factory.

In a country where no computerized central data bank exists to register stock trades, and where brokers seeking shares in an oil company must fly to the company's headquarters in Siberia to register the purchase. Red October offers investors ease and accountability, plus a glossy company report listing profits. risks and the leading shareholders. The factory in central Moscow even installed

telephone hot line for shareholders. "We want to help privatized Russian companies raise equity finance in an effi-cient and proper manner," said Richard

Wilson, a director of the Know-How Fund, a British government program that is coaching the privatization effort. Enlisting the help of Samuel Montagu & Co. the British-based investment banker, and auditors from Deloitte & Touche, the fund invested more than \$1 million to help Red October organize its linanc-

ing and prepare its share offering.

It was a pilot program, Mr. Wilson said, "designed to give them insight into Western-style new issue practices." Many brokers in the Russian market

lauded Red October's effort, even as they refrained from buying the shares. "It is very important that this be successful, said a Moscow-based broker with a maior New York firm, who spoke on the condition that he not be identified.

"It's a great first step, but at the end of the day \$20 million is nothing," he said calling Red October's offering a kind of national "loss leader," a chance for Russian brokers to practice what Western economists have preached.

Oleg Tsarkov, director of Grant Finan-cial Center, the brokerage firm handling Red October's shares, said it was too early to provide exact sales figures. But he said institutional buyers had proved unexpectedly reluctant, and be blamed insufficient advertising for the small turnout among

ordinary Russian buyers. Yet Red October chocolate, like some domestic vodkas, remains popular with Russia's consumers. The company reported a profit of \$20 million last year. And its brand name inspires confidence in a land rife with pyramid schemes and other stock-market scams.

as a result of the yen's 12 per-

cent jump against the dollar this

long run, we can't count on

these benefits. We'll have to

investor's Europe Frankfurt London. CAC 40 FTSE 100 Index DAX 330 JASOND Exchange -027 410.09 411.18 7,311.43 7,310.26 +0.02 2,055,50 2,046,86 +0.43 Frankturt Frankfurt 772.06 772.27 Helsinki -0.16 1,878.48 1,881.53 Financial Times 30 2,319.90 2,318.50 London +0.06 London FTSE 100 3,012.50 3,016.10 -G.12 304.44 304.53 Madrid -0.03 General Index Man 9.807.00 9.827.00 -0.20 MIBTEL Paris 1,968.95 1,869.39 -1.01 Stockholm 1,850,59 1,044.01 1,044.82 -D.08 ATX index SBS Zurich -0.16 915.57

Very briefly:

 German authorities arrested two employees of Deutsche Bundespost Telekom on suspicion of defrauding the German phone company, after prosecutors confirmed a report in the International Herald Tribune that an investigation was under way.

• Bang & Olufsen Holding AS, a Danish maker of home entertainment systems, said lower costs would enable it to triple first-half pretax profit, to 120 million kroner (\$20 million).

· Bass PLC, Britain's biggest brewer and the world's largest hotelier, said annual profit rose 8.7 percent, driven by a strong upturn in its Holiday Inn hotel chain.

• Carlton Communications PLC said its venture into the British television industry helped it raise annual pretax profit 51 percent, to £190 million (\$296 million).

Ukraine's Parliament lifted a four-month ban on privatization but derailed plans to accelerate reform by approving a list of

several thousand enterprises that will remain in state hands. British Sky Broadcasting Co. and Walt Disney Co. said The Disney Channel would be launched exclusively on the Sky satel-"The Korean economy is do-

lite television network in the autumn of 1995. ing well, but there are many • British statisticians said the number of tourists visiting the short-term factors such as the country grew 9 percent in the third quarter from a year earlier. yen," Mr. SaKong said. "In the

• European Commission officials said they might conduct an inquiry into state aid for Lufthansa AG.

SEOUL: South Korean Economy Pays the Price for Its Rush to Growth gest supplier of 4 and 16-mega-Continued from Page 15

nounced in February, is behind schedule. **VSEL Stock Hit by Inquiry**

"The government's view is myopic," said Kim Kyeong Won, senior economist at the Samsung Economic Research Institute. "They try to control the Korean economy even though it's already too big for them to control."

There are also signs that the chaebol strategy of building up excess capacity in capital- and technology-intensive industries and then muscling into markets with cut-rate pricing will lose credibility.

Samsung Electronics, for exto enter the memory chip marbit D-RAMs. Sales are boom-

But in microchips, as in liquid crystal displays, automobiles and other technology-intensive industries South Korea has targeted, the costs of doing business are rising exponentially. On Wednesday, for example, Toshiba Corp. of Japan said it would build a \$1 billion plant next February in central Japan. The facility will manufacture 64-megabit D-RAMs.

South Korea's three semiconductor makers - Samsung Electronics, Hyundai Electronics and Goldstar Electron ample, invested massive sums plan to invest more than \$6 bit-to enter the memory chip mar-lion in new chip plants in 1995. ket dominated by Japan. After But there are questions whether years of losing money, it has they will be able to continue become the world's single big-investing in new plants as costs

escalate, particularly if their competitive with Japanese ones business strategies assume that losses are the cost of marketshare expansion.

"Capital-intensive industries are becoming more capital-in-tensive and Korea has a chronic shortage of cash," said Stephen E. Marvin, head of international research at SsangYong Investment & Securities Co. "They can try to raise more money abroad, but then they'll need to be more reasonable or

nobody will buy their paper." Without doubt, there are signs that the South Korean government is becoming less interventionist. On Wednesday, for example, the Trade Ministry gave the green light to Samsung Heavy Industries to enter the auto business. The decision led to a strike call and a march by protesting autoworkers that was broken up by riot police using tear gas. Competing automakers fear Samsung's entry

The government hinted Wednesday that it may open the stock market fully to foreigners in 1998 or 1999. The ceiling for foreign stakes was raised to 12 percent from 10 percent last week and will be

raised to 15 percent next year. On Monday, South Korea completed plans to phase out foreign exchange controls by

The conviction on bribery charges this week of three prominent industrialists also underscored president Kim Young Sam's determination to

combat corruption.

Moreover, South Korea's economy is booming as companies invest in production facilities to meet demand from the United States, China and Southeast Asia. Its semiconductors, cars, ships, steel and other products have become far more

move up the industrial ladder."

FIDELITY ORIENT FUND Société d'Investissement à Capital Variable Kansallis House - Place de l'Etoile L-1021 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Fidelity Orient Fund, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11:00 a.m. on December 27, 1994, specifically, but without limitation, for the following purposes:

. Presentation of the Report of the Board of Directors.

Presentation of the Report of the Auditor.

3. Approval of the balance sheet and income statement for the fiscal year ended

Discharge of the Board of Directors and the Auditor. Election of six (6) Directors, specifically the re-election of Messrs. Edward C.

Johnson 3rd, Barry R. J. Bateman, Charles T.M. Collis, Sir Charles A. Fraser, Jean Hamilius and H.F. van den Hoven, being all of the present Directors. 6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxem-

Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with a minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

By Order of the Board of Directors

Dated: November 30, 1994



NOTICE

minimum joitial America Capital Guaranteed Fund is reduced to US\$ 100.



Weekly net asset on **30.11.94** US \$ 231.68 Listed on the

Amsterdam Stock Exchange MeesPierson Capital Management Rokin 55, 1012 KK Amsterdam. Tel.: + 31-20-5211410.

> **TO OUR** READERS IN BERLIN

You can now receive the IHI hand delivered to your home or office every morning on the day of publication. Just cod us <u>toll free</u> at 0130 84 85 85

FIDELITY FRONTIER FUND Société d'Investissement à Capital Variable

Kansallis House - Place de l'Etoile L-1021 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Fidelity Orient Fund, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Étoile, Luxembourg, at 11:00 a.m. on December 29, 1994, specifically, but without limitation, for the following purposes:

Presentation of the Report of the Board of Directors.

Presentation of the Report of the Auditor. Approval of the balance sheet and income statement for the fiscal year ended

Discharge of the Board of Directors and the Auditor. Election of six (6) Directors, specifically the re-election of Messrs. Edward C.

Johnson 3rd, Barry R. J. Bateman, Charles T.M. Collis, Sir Charles A. Fraser, Jean Hamilius and H.F. van den Hoven, being all of the present Directors. 6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxem-

Declaration of a cash dividend in respect of the fiscal year ended August 31, 1994.

8. Consideration of such other business as may properly come before the meeting. Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with a minimum number

of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: November 30, 1994 By Order of the Board of Directors



Rocker to an NYSE

include the nationwide prices up to ng on Wall Street and do not reflect elsewhere. Via The Associated Press

Live Latest Ch'96 ΞŰ 2 12 .αle 241¢ 1.8 2000000

神経の変化のないない。 ないかん

76 86

ď

1

增

THE CONTRACT OF THE PARTY OF THE CONTRACT OF T - 등 - 등 - 등 - 등

,23e 1)6

128

· 香香

100 Hz

138

75 1,48

潘

2 //2

₽ [

المنفق المافطة المفلفظة 100 RE I MAN OF RESTAND RESTAND OF MAN (SOC) 3 4 140

Two sizes for men and one size for ladies. Quartz or mechanical self-winding movement. Curved sapphire glass, Water-resistant to 30 metres, Metal bracelet or water-resistant sharkskin strap. 5 year international limited guarantee.

FRANCE: ARCAN, FARIE - LEON, PARIS GERMANY: BLOME, DOSSELDORF ITALY: VERSA VALERIO, MILANO SWITZERLAND: SOMINDLES, ZERIMATT LIECHTENSTEIN: HUSER, VADUZ. UNITED KINGDOM: MAPPIN & WEER, LOMBON: BELGIUM: DE GREEF BRUXELLES SY SPAIN; ALDAO, MADRID - UNION SUIZA, BARGELONA - ABU DHABI, DUBAI: MANSGUR JEWELERS KUWAIT: ANWAR AL GATAMY, SASAT GATAR: NEW PRADE, COHA HONG KONG: OMTIS JAPAN: NIHON SIBER HEGNER, TORYO - USA: TRASERT & HOEFFER, CHIGAGO

ANY SERVICE OF THE PROPERTY OF

TO THE STATE OF TH

THE THE STREET WHEN THE PROPERTY OF THE PROPER

12 .15e 1.92 Salan Separated and Salan Allan 13 73 1.95 The state of the s : 7 : V

-8

4<u>9</u>9 1.60 海 北海安局 127 466 **省等**指

=\} =\} -1 ī. 17 1.73 dec 20 %

祕

1 5

电线系统

THE PROPERTY OF STREET - ¢ 1980年の -6

Sis Yid PE 100s High LowLoles/Chies

CHARLES IN TOXAGE IN 大学 三世代の

12 Madift High Law 5

2017 i 1

2.00 .054 .156 37 2.12 16 纷 1渡 劉: 統 役 捌 ²/28 18 24 24 냶 3.75

A TOTAL TOTA SHEET PROPERTY.

March 14 mars He direct historical

新教育

The Sill A

3 7 200

magest 🚉 1 MINE --Ca et la 🗀

Hement : ... siān: yer: The AFL. COMMISSION. that worker-

WOLKS! world vote अध्या क्रेस्टा -

htz #00!----Number:
Water to the same the same to the

The joint stock of the party of

صكنا س الدعل

Autoworkers In Korea Call Indefinite Strike

Compiled by Our Staff From Dispatches SEOUL - Autoworkers' unions declared an indefinite protest strike Wednesday after the government announced that it would allow the Samsung Co. to move into car manufactur-

in Mordan.

I description of the Control of the Con

* *** ***<u>**</u>

Tuen. (Flat.)

Figure 1

1 1 ng

20 to 10 to

Commence.

Bosnia

of the new

his dis

- - - - - -

्या भारती हुई।

·---

1

.

2.72 7. 772.2

12 a

نبد ۔

4.

The general strike announcement came during a demonstration by about 10,000 workers in Seoul shortly after a unit of Samsung, a major manufacturer of electronic and industrial products, was granted government approval to start building

Union leaders from the five existing South Korean automakers said the strike would start Thursday and would be "indefinite unless the government retracts its decision." Such a strike would be illegal

under South Korean law and could inflict severe damage on a oming industry that produced nore than 2 million automobiles last year and had export sales totaling \$4.5 billion, or 6.2 per-

cent of the country's exports. Managers at Hyundai Motor Co., Daewoo Motor Co., Kia Motors Corp., Asia Motors Co. and Ssangyong Motors Co. appealed to the unions to abandon the strike plan, saying it would cost the industry \$225

million a day in lost sales. The strike decision came shortly after Trade Minister Kim Chul Su announced the government would allow Samsung Heavy Industries Co. to import the technology necessary to begin car production in building unit to produce 65,000

short-term effect on existing business, but I believe free competition will contribute to our car industry in the long run," Mr. Kim said.

Workers and union leaders have said such a move would cause saturation in South Kopoorer corporate earnings and less job security — as well as deepen the country's dependence on Japanese technology.

Some industry executives also say a new entrant would flood the market and lead the industry into a slump through cutthroat competition.

"The domestic market will face serious overcapacity in five years, and it will be very, very competitive," said Scott Foster of Merrill Lynch International Inc. in Seoul.

"There is no reason to block Samsung's bid. But it will prompt a restructuring of the domestic car industry," said Lee Sang Jin of Schroders Secu-

Some had more doubts about Samsung's choice of Nissan, which has been posting large losses and losing market share in Japan, as a partner.

Samsung said it would pay Nissan royalties of 1.9 billion yen (\$19 million) plus between 1.6 percent and 1.9 percent of the price of each car for the technology.

The plan calls for Samsung's heavy-machinery and shipa venture with Nissan Motor sedans a year starting in 1998.
Co. of Japan. (AFP, Reuters)

Chic Condos in the Slums **Bombay Builders Seek Inexpensive Land**

ern, "that I can offer great

For the time being, there are plenty of buyers. Great

Eastern said it had already

But as more buildings ap-

pear in neighborhoods like

this, the developers who built

them become increasingly

the United States: Compa-

nies such as Xerox Corp. that

jumped into building office towers in the boom of the

1980s — even in partnership

with seasoned developers -

are now trying to dump

buildings that have been

largely empty for years, since

the real-estate market col-

turn down here, at least the banks will not be saddled

with a lot of bad real-estate

loans, as they have been in the United States and Japan.

Commercial banks in India

are forbidden by law from

Some companies get

around that by having their

boards secure the loans per-

lending to developers.

But when the market does

lapsed in the early 1990s.

Consider the latest cycle in

vulnerable to a downturn.

value for a great price."

sold most of the condos.

BOMBAY - Deep in the heart of this island city, workers are putting the finishing touches on a plush 23-story condominium tower with its own tennis courts and pool.

حيكنا من الاحل

It looks like the wrong building in the wrong place. For this is Bombay's ruined heart — neighborhoods of boarded-up textile mills and tenements called chawls where families of 10 cram into a single room.

As the Bombay real-estate market booms, the developers are spilling out of its pricey southern tip and into blighted neighborhoods such as this one, known as Bom-

bay Central. So profitable is building housing these days that all kinds of companies have piled into the business, from shipping concerns to liquor

Nobody knows how long the party will last, though. In real estate, what goes up must usually come down, and many of these companies could end up nursing some bad burns.

For the time being, realestate prices continue to soar. In the better neighborhoods in the south, housing is so scarce that condos go for 30,000 rupees a square foot, or about \$1,000 for a space not much bigger than a com-

Prices like those make Bombay the third most expensive housing market in the world, after Hong Kong and Tokyo, by some estimates.

For a company like Great Eastern Shipping Co., India's largest shipping concern. buying cheap land in the

slums and building condo towers is a lot more profitable builder - borrowed \$4 milthan shipping freight. lion, which its directors per-Because land is so much sonally guaranteed would be repaid. But that is not practicheaper in the poorer neighborhoods, Great Eastern can cal for most companies.

sell the three-bedroom con-Indian companies finance dos in its as-yet-unnamed as much as half of their buildtower for 12,000 rupees a ing costs by pre-selling con-dos — something they could "It is only because our complex is where it is," says not do in many markets, as buyers in most places hesitate Ghanshyam S. Sheth, executo pay a lot of money for a tive director of Great East-

condo they have not seen. Indian developers will need to raise an enormous amount of capital - perhaps as much as \$4 billion nationally over the next few years - if demand is to be met.

Many of the new players are starting to turn elsewhere to get these huge sums. Some are raising cash by selling shares in their real-estate subsidiaries to the public.

With the outlook for the Indian economy fairly strong. the real-estate market may stay healthy for the next several years.

There are some Bombay residents, however, who are not thrilled by that news.

They are the people who live in the run-down neighborhoods. They fear gentrification will eventually push them out of their tenements and leave them no place to go but the streets.

Then there are the mills. The government is finally letting the owners sell land around the plants. The money, however, is not going back into the mills, generating jobs for the unemployed. Eventually, residents fear, the mills will be torn down as well -Lok Housing & Construc- to make room for more contion Ltd., for instance - In- dos and office towers.

Fidelity's Gaffe Hits **Markets**

TOKYO - News that a calculation error had forced the world's biggest mutual fund to cancel a year-end payout sent minor shock waves through stock markets in Asia on Tuesday as investors feared a wave of redemptions by U.S. funds.

Fidelity Investments announced Monday that it would not make a year-end distribu-tion of income to the 3 million holders of its Magellan fund. The announcement surprised

investors, who look at the Magellan fund as a prime indicator of the health of the U.S. mutual

fund industry.
"There is a belief this is another nail in the coffin, that it will cause more redemptions," said Clive Weedon, sales and research director at Asia Equity

in Hong Kong.
In Tokyo, the Nikkei Stock
Average fell 166.24 points, to
19,174.23, in part because of the news. In Hong Kong, the Hang Seng index fell 64.15 points, to 8,332.65.

Traders were concerned that the Fidelity announcement would prompt U.S. investors who had not yet cashed out of stocks to take advantage of higher interest rates by investing in bonds — in particular, that U.S. fund managers would try to raise funds by selling

some of their Asian holdings. That would be a troubling turn, because American mutual funds dedicated to Asian shares were one of the main forces behind the gains in Asian markets last year, said Bruce Rolph, head of research at Salomon Brothers Singapore Ltd.

A retreat by U.S. funds is already evident in Tokyo and

Singapore, traders said.
"We have seen quite a lot of redemption selling," said Dianne Lim, head of research at Standard Chartered Securities Singapore Ltd. Mutual funds have been trying to sell stock "at whatever price," she said.

In Taipei, investors shrugged off the news. The response elsewhere, said James Rosenwald, president of Rosenwald Capital Management Inc. of California. was "much ado about nothing."

He said rising interest rates were the main reason Asian markets were falling.

Investor's Asia Singapore Tokyo Smits Times Nijosi 225 Hong Kong Hang Seng Exchange 8,268.56 8,332.85 Hong Kong Singapore Straits Times 2,180.28 2,187.07 0.31 All Ordinaries 1,869.20 . 1,891.20 Tokyo; .. Nikkei 225 19,174.28 19,340.47 0.86 Kuele Lumpur Composite 951.68 953.68 1,330.35 1,342.59 Bangkok SET Composite Stock 1:068.83 : 1.075.01 **:: 0.57 Taipei Weighted Price - 6,777.88 6,709.47 41.02 2.663.17 2.655.68 +0.28 Manile PSE Jakarta 462:33 466.39 0.67 New Zeeland NZSE-40 1,931.29 1,941.45 National Index 1,896.63 1,920.99 1.27

Very briefly:

• International Business Machines Corp. said it planned to establish a research laboratory in Beijing by mid-1995 to support joint projects with universities and research institutes. Separately, Microsoft Corp. said it would sign a memorandum of understanding Thursday with China to develop its new Windows 95 program.

• Toshiba Corp. said it would begin in February to build a \$1 billion "clean room" for mass production of dynamic random access memory chips at Yokkaichi in central Japan in February. • Brierley Investments Ltd. said it would sell the 28 percent stake it acquired only last month in Wilson & Horton Ltd., publisher of the New Zealand Herald, after Wilson & Horton said it wanted a media company as a major holder instead.

Journalists at News Ltd., the Australian unit of Rupert Murdoch's News Corp., walked off the job in Melbourne and Adelaide on Wednesday, joining strikes started Tuesday by their colleagues in Sydney and Brisbane over the spread of non-union contracts as well as issues of copyright and allowances for new technology. • Hopewell Holdings Ltd., a Hong Kong-based construction, real

estate and power utility concern, canceled its first international bond sale and will use bank borrowing for financing instead. Bloomberg, AFX, AFP, Reuters

Taiwan Thins Trade Surplus

TAIPEI - Taiwan's trade surplus shrank 21 percent in November to \$950 million, compared with a year earlier, despite record exports and imports, the Finance Ministry said Wednesday.

Exports jumped 26 percent to a monthly record of \$9.47 billion, and imports rose 35 percent to \$8.52 billion, also a record, the ministry said.

"Exports are picking up on quickening global economic recov-' said Chen Chang-shang, chief of the ministry's department of statistics. Imports grew as consumers who have benefited from economic growth at home snapped up foreign goods, analysts said.

(Bloomberg, AFP)

WORK: Employees Want a Say

Continued from Page 15

mission added, has been management's aggressive campaigns against union organiz-

The AFL-CIO wants the commission to recommend changing laws to make organizg easier. The study suggests that workers themselves quite apart from organized labor — favor easier union orga-

A third of the nonunion workers surveyed said they would vote for unions to represent them, though some said they would not do so in the face of management opposition. Ninety percent of the union members in the study said they wanted to keep their unions.

The most startling finding in the six-month study, which first

See our

every Friday

ate Marke

involved focus groups and then telephone interviews with 2,400 workers, came when the workers were asked to choose between two types of organiza-tions to represent them. One would have no power but would have management's cooperation. The other would have power but would be opposed by management. By a 3-to-1 margin, the workers chose the

weaker organization. Seventy-three percent of the heved that management was so powerful that any employee organization formed to have a say on issues such as wages, benefits, working conditions, technology and production goals could "only be effective with

management cooperation." Just 38 percent said they were confident that their companies kept promises to employees, and 76 percent said their companies would be more competitive if "more decisions about production and operations were made by employees instead of

"Komilux International S.A."

"Diffusion Finance S.A.R.L.."

100, rue de Gasperich, L-1617, Luxembourg

Tel.: (352) 400810 Fax: (352) 400 823

29, av. Montercy L-2163 Luxembo

Tel.: (352) 224428 Fax: (352) 224431

Keidanren Mulls Asia Caucus Stand

TOKYO - The Japan Fed-

eration of Economic Organizations, or Keidanren, is considering supporting an East Asian Economic Caucus early next year, a spokesman said Wednesday.

The lobbying group for big business in Japan said it hoped

to decide on its stand before sending representatives to talk with members of the Association of Southeast Asian Nations in February. But Shunsuke Kohiyama, the

spokesman, said no decision had been made on whether Japan itself should join the group. As envisioned by its propo-nents in Keidanren, the East Asian Economic Caucus would be a group akin to the European Union and North American

Monday

Tuesday

Thursday

Saturday

Wednesday

Education Directory

Arts and Antiques

Business Message Center

international Recruitment

Free Trade Agreement, which offer participants places to discuss issues of mutual interest.

Prime Minister Mahathir bin Mohamad of Malaysia proposed the caucus in 1990 and has been its strongest supporter in the region. ASEAN members agreed to establish an East Asian Economic Caucus in 1992 to act as a regional con- nomic recoveries elsewhere. sulting group.

The United States has opposed forming such a group, saying it would weaken broader efforts in support of free trade such as the Asia-Pacific Economic Cooperation conference.

■ Upswing Seen in Japan

INTERNATIONAL

CLASSIFIED

MARKETPLACE

International Conferences and Seminars

Real Estate Marketplace, Holidays and Travel

Plus over 300 headings in International Classified Monday through Saturday For further information, contact Philip Orna in Paris: Tel: (33-1) 46 37 94 74 - Fax: (33-1) 46 37 52 12

Herald Tribune

Corporate Japan is recovering from its slump, and profits will rise in the current business

year after four years of declines, Reuters reported, quoting research institutes.

The institutes said they had become more optimistic because of restructuring efforts by companies, a recovery in private consumption helped by a hot summer and tax cuts, and strong exports fueled by eco-

The IHT Pocket Diary Fits In The Palm Of Your Hand.



 Measures 8 x 13 cm (51/4 x 3 in.). Week-at-a-glance format, printed on 1995 notable dates and national holidays in over 80 countries; world time-zone table; international telephone dialing codes and country prefixes;

book that fits snugly into its own silk pocket. No need to re-write your most mportant phone numbers — the address book will fit right into next year's diary. Each diary packed in a blue gift box.

 Corporate personalization and discounts are available. For details, fax Paul Baker at (44-81) 944 8243.



· Black leather cover with gilt metal corners. French blue paper with gilded page edges. conversion tables of weights, measures and distances. Blue ribbon page marker. Includes removable address

> Blue notepaper sheets fit on the back of the diary - a simple pull removes top sheet. 100 reful sheets included.

Year after year – even at a period when diaries abound - the International Herald Tribune flat, silk-grain leather diary is the hit of

Ingeniously designed to be thinner-thanthin, it still brings you everything ... including a built-in note pad with always-available "jotting paper". Plus there are conversion tables of weights, measures and distances, a list of national holidays by country, a wine vintage chart, and many other useful facts. All in this incredibly flat little book that slips easily into a

The perfect gift for almost anyone ... including yourself. Please allow three weeks for delivery.

Please send me1995 IHT Pocket Diaries.
Price includes initials, packing and postage in Europe:
1-4 diaries UK £22 (U.S.\$33) each INTTALS 5-9 diaries UK £20.50 (U.S.\$31) each up to 3 per diary
5-9 diaries UK £20.50 (U.S.\$31) each up to 3 per diary 10-19 diaries UK £18 (U.S.\$27) each
Additional postage outside Europe £4.50 (U.S.\$6.90)
Check here for delivery <u>outside Europe</u> by registered or certified mail: £5.75 (U.S.\$8.60) per package plus postage.
Payment is by credit card only. All major cards accepted.
Please charge to my credit card:
Access Agnex Diners Disrocard MasterCard Visa
Card Nº
ExpSignature
Name
Company
• •
Address
City/Code
Country
Commenty EEC VAT ID Nº

Herald Eribune

Mail or fax this order form to: International Herald Tribune Offers 37 Lambton Road, London SW20 OLW U.K. Fax: (44 81) 944 8243

CURRENCY AND CAPITAL MARKET SERVICES

SABEX FUTURES LIMITED

The joint stock company "Komineft"

Memorandum

Due to recent changes in the structure of the joint stock company "Kominest" it has been decided to postpone the share certificate transfer & exchange published in the International Herald Tribune on September 2, 1994.

Until further notice the existing certificates will remain

unchanged previous registration procedures.

The joint stock company "Komineft"

13, Octyabrskaya Street

Republic of KOM1 Tel.: (782147) 62612

Fax: (782147) 61808

169400 Ukhta

SFA & IPE

 24 Hour margin based foreign exchange dealing
 Fast competitive rates with a personalised service * Catering only to professional investors, Fund managers and institutions, for their speculative & hedging needs Up to date market information and technical analysis

* Full futures brokerage in all major markets 33 Cavendish Square London W1 Reuters Dealing: SABX. Reuters Monitor: SABY/Z (+ Daily fax) Tel.: (871) 412 9091 Fax: (071) 412 9093 Please call for further information

Capital Flow Asset Management 532,817.04

NET BEALDZED PROPERS PER \$180,000 UNDER MANAGEMENT JUNE 27, 1994 THROUGH OCTOBER 31, 1994

TRADE CURRENCES with specific corters from RAM COMPUTER PROGRAMS which coverages to 400% profes or energies pay year for 17 years. Furthers for USS 85,000; or lease for USS 18,000 for souther Ann conduction is a for service with REDENTICAL trades: 2 months = \$5,000.*

3 months: Term can conclude. Ann conduction is a for service with REDENTICAL trades: 2 months = \$5,000.*

Profit in pact of maybles exceeded \$100,000. reading ones control for each signal.

Profit in pact of maybles exceeded \$100,000. reading ones control for each signal.

Subscribe for 2 months for USS 2,500; or 6 months for USS 6,500; or 1 year for \$12,000.

NOTE: EACH HAS TRUL MONEY-BACK CHARASTEE. We can not CA1, do not promise profits, maybe should MANAGED ACCOUNTS (continuous USS),0001; or should USS 008 PROGRAMS for YOUR levents before the continuous USS 5,0001; or should USS 008 PROGRAMS for YOUR levents before the continuous USS 5,0001; or should USS 008 PROGRAMS for YOUR levents before the continuous USS 5,0001; or should USS 008 PROGRAMS for YOUR levents before the continuous USS 1000. миличны рамания навления; як ваки чления гланавичны вт точа. Call 305-251-6762 or 800-392-2664 - Fasc305-254-3272 LIMITED AVALABILITY, ACT NOW!

Catch The Big Moves DID YOU SELL DEC DAX AT 2142?
DID YOU SELL DEC S-IP 500 AT 472. SS?
DID YOU BUY COFFEE IN MARCH? OUR CLIENTS DID

LID YOU BUT COFFEE IN MARKET? OUR CLIENTS DID rac, the congularised trading system is now available by fax and covers over 75 sufficiential futures indices with specific Duy, "Self or "Neutral" recommendation Request your 5-day free trial by sending a fax to Carol on 0624 662272 Int +44624 662272



800-967-4879 312-207-0117

Everyday Offer To Professional Traders for all februs & Options Family Non Page Fores



Call for further information & brochure

For further details bow to place your listing contact: WILL NICHOLSON in London Tel.: (44) 71 836 48 02 Fax: (44) 71 240 2254

Merald Cribune

20% 15% 25% 20% 20% 21 16% 31%

1344 Newterns
1-646 Newtern
1-

2814 + 1/2 1274 - 1/4 1514 - 1/4 1514 - 1/4 1774 - 1/4 5 - 1/6

G-H

ді Ле

ය

.09 .07

.89 .88 1.84 I

.12 .60

.16 ,20

.20 .10

22½ 10½ I-STAT
22½ 5% 10% Cm s
35½ 35½ 16kcod_ch
7½ 45½ 10½ 16kcod_ch
7½ 45½ 10½ 16kcod_ch
7½ 45½ 10½ 16kcod_ch
15½ 45½ 11½ 16kCod
15½ 45 Immunex
15½ 45½ Immunex
15½ 45½ Immunex
15½ 45½ Immunex
15½ 15½ 16½ Immunex
15½ 15½ 16½ Immunex
15½ 15½ 16½ Immunex
15½ 15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16kcod
15½ 16

KellySA Kernet I/a Kenetach I/a

He LC Int s
LD18 6
LD18

.AQ .AS

±0 20

.05e .80 .70 1.36 .12

.19 .04

3 3% 3% 3% 3% - % 7 13% 13% 13% - % 67 6% 6% 6% 6% 12 20% 20% 20% -

274 274 - 46 214 224 + 4 114 12 114 12 124 124 124 124 259 264 + 4 124 134 - 4 124 134 + 4

72 72 425

. .20 .22

1.40 1.40 .100

.44 .20 .20 .69 .325

.16 .28 1.96 .40 .30

14. 16. 14.14.16. 14.14.15.14.14.14.16. 15.14.14.16. 15.14.14.16. 14.14.14.16. 14.14.

Div Yid PE 190s

714 9 GMIS
714 174 GP Prid
724 174 GP Prid
725
9 1/4 Goleston
27/4 Gorchill
15/4 Gentur
15/4 Gentur
17/4 Gentur
18 Gentex
24/4 Gentur
18 Gentex
24/4 Gentex
25/4
227121074444444444444 1271210744444444444444 1271214444444444444

- 1889 314, 274 1 - 69 157 184, 174 1 - 15 144 194, 19 - 15 144 554, 346, 3 - 22 6851 21, 2034 2 - 786 124, 114, 1 - 18 1007 164, 154, 1

231 LSEAN OF THE STATE OF THE S

Wednesday's 4 p.m.
compiled by the AP, consists of the 1,000
ded securities in terms of dollar value. It is
updated twice a year. Div Yid PE 100s High Law Latest Ch'es 617 AAON 12 ABC Roll 13 ABT Bld 124 ACC Cp 614 ACS Erd 314 ACC TC 314 ACC TC 144 ACC TC 145 ACC TC 146 ACC TC 147 AC In Alberth In Aberth In Aberth In Aberth In Acastin In Action In Inc. In Action In Action In Action In Action In Action In Action In Inc. .72 .16 .24 .24 想 .19 1.16 .04 64 44 .32

.40 .06 3.50 .32; .52 .56 .12 50 8 1,4 17

.92b 5.1 14 67 .92b 5.1 14 67 .54e11.4 . 180 .79 41

17% 17% 5 53% 7% 73% 54% 53% 1% 1%

18 to 54a 74a 57a 11a

| 17 | Month | 18
A FIRE I S A STATE OF THE ST

| The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The color | The

| Mogeth | Low | Sect | Low |

High Low Stock

The Park High Low Stock

16th 75th TextMer

17th 11th Thermod

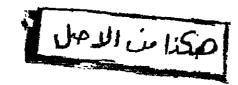
16th 13th
T-U-Y 等型1524年7月,1950年14年4年1723年18日12日本市市市场的企业,1950年18日,1950年,1950

The state of the s

.60 .98 .28

The state of the state of the state of the state of

مكنا من الاعل



ABC INVESTMENT & SERVICES CO (E.C.) Managemo-Bushroin,PO 2006,Fix SQR02 TI SQZ25 MABC Futures Fund (I.d 5 173.01 6 Global Bonds USD & (Cop) _ 5 71,9714 MABC istantic Fund (E.C.) _ 5 173.01 6 Global Bonds USD & (Cop) _ 5 15,445 MABC istantic Fund (E.C.) _ 5 173.01 6 Global Bonds USD & (Cop) _ 5 15,445 MABC istantic Fund (E.C.) _ 5 173.01 6 Global Bonds USD & (Cop) _ 5 15,445 MABC istantic Fund (E.C.) _ 5 173.01 6 Global Bonds USD & (Cop) _ 5 17,671 Managemo-Bushroin,PO 2006,Fix SQR02 TI SQR0	Total of 1909 of Callerin Board Entertion Cold 11691 m Chil	profes Growth Fund
	INTERNATIONAL FUNDOS STATEMENT OF THE PROPERTY OF THE PROPERT	International Control Contro
## SCL USEDA DAM ## SCA	Commonth	In Project Park 1982

SPORTS

Rockets, Without Olajuwon, **Are Outgunned by Sonics**

season for the Seattle Super-

After 16 games last fall, they vere 15-1 on the way to an NBA-high 63 victories. This season, they got off to a 5-5

NBA ROUNDUP

start, but have since won six straight games - the longest current victory streak in the National Basketball Association - and eight of their last nine. Their latest effort was a 103-

90 defeat of defending NBA champion Houston on Tuesday night in the Tacoma Dome. The Rockets got off to a 9-0 start, but now have faded to 11-5. To make things worse for

Houston, the Rockets played Tuesday without Hakeem Olajuwon, the league's Most Valuable Player last season and Houston's leading scorer and rebounder. Olajuwon crashed into a photographer's camera, injuring his right wrist last Thursday at Golden State.

The Rockets aren't sure how long Olajuwon will be out. Meanwhile, Gary Payton says the Sonics "are beginning to play like we did last year."

Payton, despite back spasms caused by a fall on ice and snow earlier in the day, scored a seasonhigh 30 points against Houston. Otis Thorpe, starting at center in place of Olajuwon, led Houston with a season-high 21 points, and Vernou Maxwell added 20.

Phoenix's game with the Washington Bullets in Landover, Maryland, had to be postpoued because of condensation that made the court unusable.

Hawks 94, Nets 91: In East Rutherford, New Jersey, Craig assists, Stacey Augmon added riors, who have lost seven of 17 points and Grant Long 16 their last eight games. for the Hawks. Kenny Anderson led the Nets with 24 points.

Mavericks 124, Spurs 121: In San Antonio, Jamai Mashburn had season-highs in points and rebounds to lead Dallas to an overtume defeat of San Antonio.

Jackson's finger-roll with 37.6
seconds left in overtime gave the Mavericks the lead for good. David Robinson matched his season-high with 42 points, but he fouled out with 54.7 seconds remaining to seal to see the found of the found and second season-high with 42 points, nailed a 3-pointer with the fouled out with 54.7 seconds remaining to seal the found of t onds left in overtime. Vinnie
Del Negro scored 25 points and
Avery Johnson had 22 points.

Nuggets 102, Timberwolves
95: In Minneapolis, Dale Ellis
scored 14 of his 18 points in the

Magic 114, Cavaliers 97: Anfernee Hardaway scored 10 had nine in Orlando's 42-point ished with 20 for the Magic, led the Wolves with 25 points, which has won nine of 10 and Isaiah Rider had 23.

20 points and New York shut 20 points early in the final peri-od. The Celtics, who dropped their third straight, made only 12 of 36 shots after halftime. Dino Radja had 23 points to lead Boston. Dominique Wilkins added 20.

Lakers 113, Warriors 101: Los Angeles made a franchiseseconds remaining as Atlanta State 61-42 and beat the War- points for the visiting Bucks.

Pacers 90, Pistons 83: Dale Davis had 19 points and 11 rescored 34 points, Jimmy Jackson added 28 and Roy Tarpley had season-highs in points and

Tarpley had 22 points and 14 second half and rookie Jalen rebounds for the Mavericks. Rose started a fourth-quarter rally to lead Denver over Minnesota. Rose scored six straight points and Shaquille O'Neal points to turn a one-point deficit into an 88-83 lead with 6:08 first quarter as the Magic won to play. A 10-1 spurt capped by in Cleveland. O'Neal and Nick Ellis' baseline jumper sent the Anderson finished with 26 Timberwolves to their 12th points each and Hardaway fin-straight home loss. Doug West

Hornets 106, Jazz 97: In Salt Knicks 104, Celtics 90: In Lake City, Utah, Dell Curry New York, Charles Smith had made six of Charlotte's 13 3pointers, including four in the down Boston in the second half. fourth quarter, to lead the Hor-The Knicks led by as many as nets. Larry Johnson led Charlotte with 28 points, while Karl Malone had 31 for Utah. David Benoit and Jeff Hornacek had 18 points each.

Sacramento 108, Milwaukee 95: Olden Polynice had 22 points and 16 rebounds and Walt Williams added 20 points to lead Sacramento over visiting record 11 3-pointers to hold off Milwankee. The victory gave visiting Golden State. Cedric the Kings their best early sea-Ceballos had 28 points and 12 son record in more than a de-rebounds to lead the Lakers, cade — eight victories in 15 Ehlo converted a breakaway rebounds to lead the Lakers, cade — eight victories in 15 layup and foul shot with 0.3 who outrebounded Golden games. Glenn Robinson had 31



The Cavaliers' Tony Campbell in the land of the giants, pressured by Anthony Avent and Shaquille O'Neal of Orlando, which has won 9 of 10 games, defeating Cleveland, 103-90.

23 39 38 29

Seattle 26 (Payton 8).

A Lackluster Victory For No. 10 UConn

against outmanned opponents peared to be a sprained ankle.

are tough.
The 10th-ranked Huskies looked good in a victory over then-No. 6 Duke in last week's Great Eight. But things looked a lot different in the eyes of

COLLEGE HIGHLIGHTS.

Coach Jim Calhoun after the 74-70 defeat Tuesday night of Boston College — a team trying to replace four starters from last season while handling the loss of a star freshman, Chris Herren, for the season because of wrist surgery.

"I don't think the opponent was that important," Calhour said. "The opponent was our own uniforms. We didn't play with enough emotion."

The Huskies (4-0) don't play again until Dec. 23, and that means time for Calhoun to think about the tough road vic-tory over the Eagles (2-2). "I won't forget about it Thursday," he said. "I won't

forget about it Friday. I won't forget about it Saturday. It was a total breakdown defensively. It's the first time in a long time that someone's played with a lot more emotion than we have." The game was tied, 68-68, when Doron Sheffer his a 15-

footer with 34 seconds left to give the Huskies the lead for They played with a lot of courage and played their hearts out," Boston College's coach

Jim O'Brien said of his team. and 10 rebounds.

Connecticut learned that Scotty Thurman left the game-even early Big East games in the first half with what ap-Darnell Robinson scored a career-high 24 points for the defending national champions.

No. 8 Arizona 96, Florida State 78: In Tucson, Arizona, Damon Stoudamire had 25 points and 12 assists to lead the. Wildcats, who shot 64 percent in the second half. Florida State's Bob Sura and James Collins were held to 15 and 12 points in the Seminoles' first.

loss of the season. No. 9 Duke 103, George, Washington 73: In Durham, North Carolina, the Blue Devils had this one wrapped up by, halftime with a 30-point lead. Duke, which made il of its 13' shots in the first 61/2 minutes, was led by Cherokee Parks's ca-

reer-high 29 points.
No. 14 Wisconsin 69, Valparaiso 51: In Madison, Wisconsin, Michael Finley had 28 points, including the Badgers' first 11 of the game. Valparaiso,. playing without its injured leading scorer, Dave Redmon, trailed just 54-50 with 7:15 to play, but Wisconsin closed the game with a 15-1 run.

No. 19 Syracuse 83, Miami 65: In Miami, John Wallace was 11-for-13 from the field, scored 23 points and grabbed 10 rebounds as the Orangemen handed the Hurricanes their 21st consecutive Big East loss in the conference opener for both. Constantin Popa had 17 points and 13 rebounds for Miami.

Vanderbilt 70, No. 20 Virginia 65: In Nashville, Tennessee, the Fair led Connecticut with 21
points, while had Ray Allen 14.
Danya Abrams carried the Eagles with a career-high 29 points. Vanderbilt shot 26 percent (5-for-19) in the second half and didn't score from the No. 3 Arkansas 121, Centena- field in the final 12:29. Ronnie. ry 94: In Fayetteville, Arkan- McMahan and Frank Seckar sas, Clint McDaniel had five each had 23 points for Vanderpoints, three assists and two bilt, while Harold Deane led the steals in a 19-0 run as the Ra- Cavaliers with 16 points.

Mediator Sides With Players

Special mediator William J. Usery came down on the side of the striking baseball players Tuesday at the executive board meeting of the players' union in Atlanta. He urged owners to give up their revised plans to implement the salary cap on Dec. 15. What appears to be the final attempt to reach a negotiated settlement begins Friday or Saturday in Rye Brook, New York.

The U.S. Congress may also be ready to rejoin the fray. A Dec. 2 letter sent to both factions and signed by Senator Connie Mack of Florida, Senator John McCain of Arizona and Senator-elect Jon Kyl of Arizona, said: "If this dispute is not resolved in a timely manner, we will have no choice but to move forward with the consideration of an appropriate legislative remedy, in addition to reserving our right to address the [sport's] antitrust exemption — a benefit that was predicated baseball's unique standing and the goodwill and account-

ability of its stewards." Meanwhile, talks between National Hockey League owners and players representatives broke down Tuesday, with both sides agreeing only that prospects are slim for saving the season.
"We've given them everything they wanted," said Mike Gartner, the NHL Players Association president. "We've made a tremendous amount of concessions." NHL commissioner Gary Bettman said the sides were "too far apart on substance." (LAT, AP)

SCOREBOARD

NBA Standings **EASTERN CONFERENCE** 467 .543 .543 .540 .500 .500 .438 .438 PC# .600 .500 .571 .467 .176 ,486 ,688 ,425 ,533 ,500 Secitie LA Lakers

7 7 <u>.500</u> 8 16 .000 LA. Clippers 8 16 .000 11
TUESDAY'S GAMES
Boston 39 17 13 39— 99
Mere Yerk 22 26 21 25—194
B: Radio 8-147-11 23. Writkins 6-167-720; NY:
Smith 8-144-529, Mason 5-104-6-14. Reboseds—
Boston 49 (Montros 7). New York 43 (Oakley, Mason 12). Assists—Geston 13 (Wesley 7), New York 25 (Anthony 10).
Afficiate 22 22 25 14 -9—94
New Jersey 24 25 14 18 6—91
A: Blovlock 8-148-217, Ehio 10-17-1-12; NJ:
Colemon 9-18-6-9-22, Anthony 20 9-17-3-12; NJ:
Colemon 9-18-6-9-24, Anthony 20 (Blovlock 12), New Jersey 22 (Anderson 1), New Jersey 24 (Colemon 9-18-34-6-41)
Torloade 42 26 26 29—114 12), New Jersey 22 (Anderson 11).

Oriente 42 26 28 29—114

Cleveland 24 26 28 29—114

O: O'Necl 11-14 48 26, Anderson 11-14 5-1 26.

Hordowoy 5-14-23-39: C: Price 5-13-6-13. Brondon 5-19 1-1 14, Rebounds—Oriente 47 (Grant 10), Cleveland 47 (Cope 9), Assists—Oriente 32

(Spencer 13), Assists—Charlotte 22 (Bogues 7), Utch 21 (Stockton 10). D: Milts 67 64 16, O.Aliler 610 12 13; 1: D.Dovis B-15 38 17, R.Aliler 5-10 67 18, Re-boards—Detroit 46 (Hill, O.Aliler 7), Indiana 65 (D.Davis, McKey 11), Assists—Detroit 20

LA. Lakers 34 25 30 22—113 G: Sorewell 7-21 5-7 20, Hardoway 7-12 5-6 23; L: Caballas 17-23 2-2 28, Van Exel 7-18 2-5 20. ids—Golden State 51 (Ragers 91, Las 172 (Divac 14), Assists—Golden State 28

28 18 18 25-- 95 27 23 25 25--168 12-25 6-8 31, Conton 7-11 1-3 15; 2-2 22, Williams 5-14 19-11 20. DI: B.Williams 7-12 3-4 17, D.Ellis 7-10 2-3 18: : West 11-18 2-3 25, Rider 8-17 4-5 21, Re-lands—Deriver 44 (B.Williams 13), Minsteso--Miwayige 53 (Conion 12). Socra-Polynics 74). Assiste—84/woukse

Major College Scores Houston 38 21 17 22— 95 Sectific 25 26 32 19—363 Ht:Thorpe 9-153-521, Nacuvel 7-19-3-20; 5: Paylon 14-27 6-0 32, Asiase 7-8 5-5 19, Rebounds—Houston 4 (Honry 9), Assiste—Houston 18 (Cosnell 7), Army 77, Monmouth, N.J. 76 Connecticut 74, Boston College 70 Holy Cross 75, Horvard 65 Pann St. 86, Md.-E. Shore 55

Doubts 22 30 30 7 12-124 Sen Antonio 20 25 27 29 3-121 D: Mashburn 13-24 4-3 4-Jackson 12-22 4-6 28, Torniery 16-18 2-2 22; SA: Robinson 17-26 6-18-42, Johnson 7-108-722. Dei Negro 12-16-1-125. St. Peter's 92 Long (sland U. 49 Vermont 52 American U. 80 SOUTH Reboords—Dollos 71 (Jones 17), Son Antonio 42 (Reid 10), Assists—Dollos 29 (Kidd 13), Son Antonio 30 (Johnson 16).

SOUTH
Alo,-Birminshom 91, Jockson St. 87
Conspbell 74, East Carefine 56
Duke 103, George Washington 73
George Mason 98, N. Carolina A&T 90, 20T
Jacksonville 71, South Flarido 70
LSU 113, Tray 51, 78
Liberty 84, Jonnes Modison 80
Marshall 88, E. Kentucky 71
Middle Term. 72, Alo,-Hunssville 50
Miss, Volley 51, 89, Delhy 51, 78
Syracuse 83, Alomit 45
Venderbill 78, Virginio 45
Whithrop 78, Chadel 74

nucky &L Ball St. 77

SOUTHWEST

CALVIN AND HOBBES THIS MACLE BUSINESS)
OF SANTA REMARDING

GOOD KIDS AND

KIDS REALLY

Arkonsos 721, Centenory 74 Oklohomo 67, Southern Meth. 68 Texas-El Paso 77, New Mexico St. 68 Texas-San Antonio 57, Angelo St. 81

Arizona % Florida \$1,75 Artema No. Priorities de la la Brighom Young 74, Mississispol St. 48
CS Northridge 64, Long Beach St. 58
Colorado 75, Wyoming 69
Genzasor 64, John 58
New Maxico 110, E. New Mexico 49
New Maxico 110, E. New Mexico 49
Seubbano 61 97, Streemento 37, 64

GOLGHER. **UEFA Cup Results**

THIRD ROUND, SECOND LEG

ers: Pederson (70st), Bis ise won 43 on oggregate

Perma 4 Aintetic Bilbes 2 Scorers: Porma — Glanfranco Zole (21: Dino Bossio (39th, 49th), Fernando Co (68th); Athletic Bilbos — Oscar Vales (58t

RIGHT! BUT SEE, THERE ARE CERTAIN THINGS A

6000 KID COULD DO THAT MIGHT LOOK BAD IN A

CERTAIN LIGHT, IF ONE DIDN'T CONSIDER ALL THE

Berussia Derhaund 3, Departivo Coreno 1
(offer entro filme)
Scorers: Dorfmund — Michael Zurc (50hr),
Koribeluz Riedle (115th) Lors Rickett
(118th): Departivo — Alfredo Santoelend
(122d),
Derhauset was 3.5 —

(1822).
Dorthund won 3-2 on oseragote.
Juvestes 3, Admire Wocker 1
Scorers: Juvestes — Ciro Ferrora (17th).
Glaniucz Violii (86th); Admire — Gerd Wimter (730).
Juventus won 5-2 on ospregate. Lagie Z, Trabzospor 7 Scorers: Lazio — Roberto Crovero (25th), Marco Di Volo (75th); Trabzonspor — Boz

oner (73d). Lazig won 4-2 on appressie. DUTCH FIRST DIVISION

PSV Eindhoven 2, RKC Woolwijk 2 Standings: Rada JC Kerkrade 24 nokats. Ajax Amsterdam 23, PSV Eindhoven 21, Twente Enschede 21, Feyencord Rafferdam 17, Willem (1 Tilbury 14 Vitesse Arabam 14

Haerenveer III, my v manus 12. Volendom 12. 13. Greningen 12. NAC Brada 12. Volendom 12. Saucha Battardom 11. NEC Nijmegen 10, RKC Sporta Rotterdam 11, NEC Milmegen 10, RKC Wootnijk 10, GA Eagles 7, Dordrecht 70 & CRICKET

13, Uh

TE I WAS

IN A BELLER

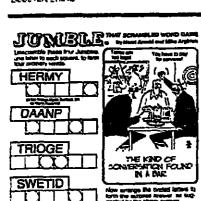
NOULDN

Trenday, in Case Town South Africa Ladings: 203-8 (50 overs) New Zegland (militar: 134 (all out, 35.5 overs)

PAY INCOMINENT



THE VETT FOR HIS "See 7 I TOLD YOU OL' RUFF CAN SPELL." BOOGHER SHOTE



CUEER CHALLY FOREL

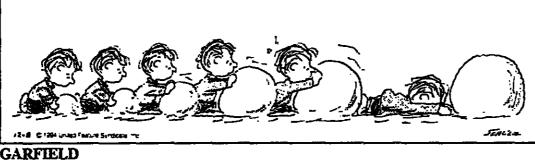
Education Directory

Every Tuesday Contact Kimberly Guerrand-Betrancourt Tel.: (33 1) 46 37 94 76 Fox: (33 1) 46 37 93 70 or your nearest IHT office

or recognitionalise



THERE



FILTHY, DISGUSTING, GLUTTONOUS, HOG... SOME DIRTY, ROTTEN. JAM CANTO 12-8









I'M PICKING-UP ON SOME TENSION HERE

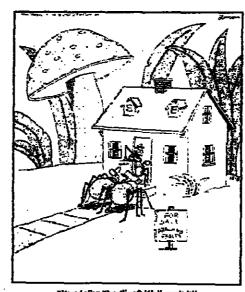




OF YIRTUE, THAT'S YOU

ABOUT, OF



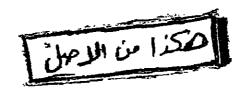


"You lolks like flies? Well, wait 'til you see the parlor!"

BLONDIE









END OF THE LINE — Stefan Edberg struggled — and lost — to fellow Swede and Davis Cup teammate Magnus Larsson in the first round of the Grand Slam Cup in Munich. Larsson won the match, 6-4, 6-7 (7-9), 8-6, and had 23 aces to Edberg's 6. In other matches, Andre Agassi beat Thomas Muster of Austria, 6-3, 7-5, and Todd Martin of the United States beat Karel Novacek of the Czech Republic, 7-6 (7-5), 6-4. The winners advance to the quarterfinals.

A 2d Chinese Swimmer Is Suspended

LONDON (AP) — Chinese swimmer Lu Bin, who won four gold medals and set a world seven Chinese swimmers who seven Chinese swimmers and seven chinese swimmers who seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers are said to seven chinese swimmers and seven chinese swimmers who se record at the Asian Games, has also tested positive for dehydrobeen suspended for two years for failing a drug test, the inter-national swimming federation, FINA, said Wednesday.

or Peace

Total South

Control Control

County and

But we look

17.27 1 1988

omalia

- 272-03 - 37 - 373

1.765

1.00

الماليان الأدر

11-12

. . . .

. . .

-- -

√ (A.)

٠.

The federation's secretary, Gunnar Werner, said Lu tested positive for the banned substance dehydrotestosterone in a random out-of-competition sampling Sept. 30 before the start of October's Asian Games in Hiroshima, Japan.

testosterone during the Games. Lu was the second Chinese

woman to fail a pre-Games test. The other was Yang Aihua, the world 400-meter freestyle champion, who tested positive for testosterone and was recently suspended by the federation for two years.

The suspensions will keep the two swimmers out of the 1996

among 11 Chinese athletes, including seven swimmers, who failed doping tests during the Asian Games. Federation officials, however, said Lu and Yang will be sanctioned for only one positive test.

The federation said it was asking the Chinese swimming recognized. federation to investigate how Lu obtained the illegal sub-

At the World Championships

Both Lu and Yang were also individual medley, two golds in mong 11 Chinese athletes, in-relays and two silvers in the 100 and 200 freestyle. At the Asian Games, Lu cap-

tured four golds and two silvers and set a world record in the 200 individual medley. FINA officials said Wednesday that Lu's world record will not be

However, Lu and Yang's performances at the World Championships will stand because they passed drug tests in Rome in Rome in September, Lu won and FINA does not impose ret-

Drugs and the Chinese Sports Machine

By Steven Mufson

BEIJING — In the late 1950s, the Chinese Communist Party promoted a disasthe slogan "More, faster, better, cheaper." It might have been the slogan for the 1994 Chinese swim team.

In both the "Great Leap Forward" of the '50s and the great splash forward of the '90s, the initial appearance of success was too good to be true.

Last week, Japanese drug testers who took urine samples at the Asian Games in Hiroshima in early October found that 11 Chinese athletes had tested positive for drugs, including seven top Chinese swim-mers. Among them: swimming sensation Lu Bin, who won four gold and two silver medals in Hiroshima, and world champion swimmer Yang Aihua, now banned for two years. In all, China will be stripped of 22 medals won at the Asian games.

The reaction here to the news has been a cycle of denial, recrimination and righteons indignation. The initial responses in China to the news from Japan went something like this:

• The test results from the Asian Games were premature and wouldn't be confirmed. The accusations were motivated by jealousy and racism, sports officials said. • The tests were part of a Japanese plot. There's plenty of bad feeling in China toward Japan, which invaded China in the 1930s. The Beijing Youth Daily initially

tried to cast doubt on the drug test results

10 60's singer

14 Bellicose delty

15 Patti LuPone

16 On the road

ACROSS

5 Underwate

by noting that by eliminating so many ible number of athletes to test positive at Chinese medal winners, Japan would move one event certainly raises suspicious

• The test results were accurate, but has always been a tricky one. only a few misguided individuals took drugs. Taking drugs to excel at sports is not national policy, officials say, and the Chinese sports machine is still an awesome power in international competition.

A lot is at stake here. Like many other countries, China has integrated national

NEWS ANALYSIS

pride with the performance of top athletes. As a result, producing champion athletes and China's push last year to bring the 2000 Olympic Games to Beijing becomes a matter of national mobilization. It is part of a drive by a China trying to

reassert what it regards as its rightful place as a world power in economics, politics, nuclear weapons and sports. And although the government is expending a lot of effort on gaining admission to the General Agreement on Tariffs and Trade, swimming times also have high priority.

However, even after the Chinese Olym-

pic Committee's admission that the athletes did indeed take drugs, a key question still lingered: Who is responsible? Was this a case comparable to the former East Germany, where taking drugs to enhance athletic prowess was part of a national campaign?

The use of former East German coaches by China's swimming team and the incred-nance and politics.

The question of responsibility in China

Here, China's political history, like its old slogan, may be applicable. In the Great Leap Forward, Mao Zedong set overall policy goals and everyone from central planners to peasants tried to fill his unrealistic expectations, even if that mean wild exaggeration.

Later, when rural and industrial output estimates were slashed by a third or more, it was not clear who was responsible: Mao, or everyone beneath him.

Similarly, in official versions of China's Great Proletarian Cultural Revolution that started in 1966, blame is apportioned only gingerly. Mao made some mistakes, it's generally said, but he was a great man. A handful of people misguided him.

As for the thousands and millions of individuals who carried out inhumane actions in mob violence during that time, very few people talk about a sense of responsibility.

There is enough responsibility to go around, regardless of whether taking drugs was part of the team's plan. And without a clearer sense of responsibility - both on the part of the country's leaders and on the part of ordinary individuals who must carry out the orders of leaders - China is stined to more scandals in sports, fi-

Weah Leads PSG in Rout of Spartak

George Weah was the hero as Paris-St. Germain completed a Champions' League grand slam by drubbing Spartak Moscow

The big Liberian striker scored two brilliant individual goals and laid on a third for

EUROPEAN SOCCER

David Ginola as the French champions, playing at home, made it six wins out of six in Group B.

Brazilian midfielder Rai grabbed the fourth in a pulsating performance that showed the Parisians have serious ambitions to become European champions in May.

Soartak substitute Sergei Rodionov got a consolation goal for the overwhelmed Russians shortly after Valeri Kechinov had squandered a penalty, blazing his spot-kick wide.

Ajax Amsterdam 2, AEK Athens 0: In Amsterdam, two goals from midfielder Tarik Oulida carned Ajax a comfortable victory and sealed the Dutch club's unbeaten run in the

Champions' League. Ajax had already secured the top place in Group D. It was the second double in the group for Ajax, which had twice beaten AC Milan earlier in the series.

Ajax, unbeaten in all competitions this season, opened the scoring in the seventh minute when winger Marc Overmars crossed for Finnish striker Jari Litmanen to tee the ball up for Oulida, who beat goalkeeper Elios Atmatsidis with a right-

Oulida, a Dutch-Moroccan who is back after a long injury absence, was on target again late in the second half to round off a muted Ajax performance. pouncing on a loose ball to slot home from close range.

AC Milan I, Salzburg 0: Titleholders AC Milan secured a place in the quarterfinals of the European Cup as it traveled to

The Italian striker found the net after 29 minutes to ensure that the Italian champions kept with a draw. alive their hopes of a fourth final appearance in six years.

Milan, beaten by Velez Sarsfield of Argentina in the Inter-Continental Club championship last week, overcame jet lag with some style.

Benfica 1, Anderlecht 1: Silva

Edilson scored seven minutes from the final whistle to give Benfica a hard-fought draw and preserve its unbeaten record in a Group C match.

Portugal's Benfica was al-ready certain of winning the group and qualifying for the European Cup quarterfinals, while Belgium's Anderlecht was already out of contention.

Veteran Dutch defender Graeme Rutjes scored from close range in a goalmouth Cup quarterfinals disappeared scramble four minutes after the at Old Trafford. interval to give Anderlecht a 1-0

But Edilson put the former European titleholders level in the 83d minute, netting from close range.

Bayern Munich 4, Dynamo Kiev 1: In Kiev, much-troubled Bayern Munich finally lived up behind to thrash Dynamo Kiev na, who drew 1-1

in the 38th minute of the Group ons' League matches, Barcelona B match, but Christian Nerlinger scored a fine equalizer and striker Jean-Pierre Papin

wrapped up victory with two second-half goals. Substitute Mehmet Scholl added a fourth. Barcelona 1, IFK Gothenburg Vienna and won with a solitary goal from Daniele Massaro.

1: Barcelona, playing at home, clinched the single point it needed to go through to the European Cup quarterfinals

> The Spanish champions took the lead with a goal by captain José Bakero with just eight min-utes left in their Group A match.

Sweden's Gothenburg looked to be heading for its first defeat of this season's competition, but Stefan Rehn found a chink in the Catalan defense to equalize with seconds left.

The draw left Gothenburg as group winner by three points from Barcelona and England's Manchester United.

Manchester United 4, Galatasaray 0: Manchester United scored an emphatic but ultimately hollow victory as its slim hopes of reaching the European

United, with seven first team regulars missing through injury or suspension, played superbly in the Group A match to beat the Turks for the first time in

four meetings. But United missed out on a place in the last eight after finishing third in Group A behind to its potential, coming from IFK Gothenburg and Barcelo-

goes through because it drew 2-2 with United in England and beat it 4-0 at home.

United could have advanced only if Barcelona had lost to

Gothenburg. Steam Buchurest 4, Hajduk Split 1: Striker Adrian Ilie scored two of three goals in the opening 33 minutes to lead Steama Bucharest to a victory in a Group C match

Despite the defeat and Steaua's effective combination play, Croatia's Hajduk has already secured the quarterfinals in the Champions League.

Playing Split's Poljud stadium, Steaua went on the attack from the start, forcing Hajduk goalie Nenad Slavica to make at least two key saves on shots by strikers Damian Militaru and

In the 11th minute, Ilie scored his first goal with a powerful shot at the ball passed to him from the left by Steaua veteran striker Marius Lacatus. In the 23d minute, Lacatus found the net to put Steaua ahead. Ilie again scored in the 33d minute from just a half-meter out.

(Reuters, AP) In a UEFA Cup match played

Eintracht Frankfurt scored a second-leg 1-0 victory on the road against Napoli to clinch a berth in the UEFA Cup quarterfinals, Reuters reported.

The victory at Naples' San Paolo stadium added to a 1-0 first-leg win and qualified the German team on a 2-0 aggre-

Ramos Weighs Risk on Soccer Field

LONDON — He will be running alone were vastly superior, but what little Amerior training with his teammates. He will be losing himself blissfully in his work and that's when his head begins to ache again, at the top of the skull, directly above the injury. It grabs Tab Ramos like a hand on

He talks himself through it. The doctors have said it is fine for him to be playing SOCCET

again: lan though there was Thomsen the one doctor. . . but he talks himself out of thinking such things and he gets on with it.

Only it's not the joy it used to be. "One doctor said to me that if I boxer, he would tell me to retire," Ramos said the other day by telephone from Spain. "I was told that if I get hit hard in

the head in the same place, there is a possibility of my right side becoming numb. If that's the case, then it's not worth it for me." He has received other opinions from caough doctors who believe he can play without such risk. It's an uncomfortable

time for him. He wants to forget all about it except for those rare dangerous moments when he wants to be aware. He wants to return to his outrageous ways and at the same time play carefully. There must be a way to do that. He probably would prefer to decide his course privately, but his job doesn't allow privacy. He knows he has achieved a certain celebrity for the way he was injured last summer. The host U.S. team had qualified for the

second round of the World Cup against eventual champion Brazil on July 4, the American Independence Day. For the first half Ramos was the best American player tactics in the first-round matches, but now he was controlling the ball when the Americans could hold onto it. The Brazilians

Maradona Resigns as Club's Coach

Maradona, speaking a news conference, said club president Roberto Cruz came to the dressing room after last Saturday's game and "said things he should not have said." Maradona did not elaborate. Mandiyu is 1-5-5 since Maradona became coach

Sept. 9. The team is based in Corrientes, 1,075 kilometers (670

diyn, citing problems with the team president.

can spunk there was came from Ramos. Near the end of the half he was contesting with the Brazilian Leonardo. Ramos grabbed his shirt and Leonardo responded with an elbow. Then Ramos heard the sound of a train passing by.

"Maybe I was unconscious for just a second," Ramos said. "When I hit the ground I realized where I was and what had happened. So many things were going through my mind just in those seconds. I was like, oh, God, I can't move my legs and my arms, what's my wife going to do with

He has seen himself on the videotape knows he recovered his senses in three or four seconds. He has memorized the replay after dozens of viewings, which probably has the awkward effect of forcing him to see himself as others saw him. He has shared in their experience of his accident. When he notices people watching him play, people who obviously remember the slow-motion impact of the elbow and the stretcher carrying him to the ambulance. does it not replay the dreadful images in his own mind? He probably would be better off if there hadn't been any television. "It's the idea of knowing that's some-

thing wrong with your brain," he said.
"That was the reason I had to stay in the hospital, because there was blood in my brain from the blow, and if it hadn't cleared up they would have had to go in and operate." Leonardo visited him in the hospital,

crying and sorry. Leonardo was banned from the rest of the World Cup, and Ramos believes the video shows that the elbow was intentional. Yet he does not seem to blame his opponent for the fracture of his skull above the ear and all of the ensuon the field. He had been frustrated by ing dilemmas, for Ramos admittedly has thrown such elbows.

Neither does he appear to feel pity for himself. He returned to Spain in mid-Au-

gust with his wife, Amy, to find that his club of three years, Real Betis, had taken on seven foreign players, all of them capped by their countries. Only three can play at one time. He has spent most of the time recovering and regaining fitness, but the opportunity to prove some things to himself on the field has been delayed by the success of his club, ranked fifth in the first division after earning promotion last spring. At most, Ramos has played one half against a second-division team. In one sense these things happen all the

time, he says — players are always losing and regaining their positions. The signing period reopens in two weeks and he will writhing and shaking on the ground, so he look for a new team or at least a chance to play on loan. He has already turned down sion, or to Portugal. Wouldn't he be playing if not for his injury? He says the bigger issue is how he chooses to respond. He has done as much as he can to recover without playing. The final recovery can happen only on the field. All injured players have to decide how they're going to play again.
Ramos recovered from knee surgery in

1993. He said, "We're not talking about a knee injury, where you say the knee still hurts but I still have to go out and do my best and take my chances, and if the knee's going to blow out, it's going to blow out. We're talking about my head. It's not the kind of thing I'm going to completely for-

"Tve done some headers in practice, and it feels O.K. But whenever we get in a defensive wall, I'm going to try not to be in it, because if the ball's coming straight at my head, I might try to duck.

At 28, with the experience of two World Cups behind him, he ought to be peaking. He still might. He says he has grown up overnight and maybe he will be a better player for it. But there are times, he admits, when he bends down for a pen or an envelope that has fallen underneath a table, and standing up he flinches.

CROSSWORD

CARAN JACHE

17 Leaning 15 "Chears" in Chihuahus 19 Point at the

20 110% 23 "I didn't know 24 Conqueror of 25 Overtippled

32 Tough situations 33 Tennis champ 34 Charles G.

Finney novel
"The Circus of 37 Served well 38 Football's 39 Handful of hay 40 Stimpy's TV pai

41 Indian royalty 42 Jai algi basket 43 Not at all proper 45 Drop out 48 Mighty symbol 49 Like Tijuana.

55 Portrayal 56 Available, in a st Eagerly expectant

59 ---- happen so Undermine ed Quotable catcher ez They may be es Not as dotty 64 Brittle cookie DOWN

2 'O patria mia.' 3 Beef alternative 4 Transferred, at 5 Sonnet's end 6 Geometry's
—— of Cassin

7 Mamphis locale a "Lytee wet it 10 Hash house 11 Amid 12 Rouen relativ

13 ---- Rock, Australia 21 Some shirts, 22 Scads 26 Worship from

.27 Ivory items of old 28 Cart pullers 29 Black Bears' home 30 Like some

cereal 31 Hush-hush 34 Have trouble with sisters? 35 Movie pooch 36 Harlequin ---(varicolored stone)

28 Nursery outfits 39 School times 41 Marge Schott's 42 Maylair hote employee 43 Falls upon

44 Taxa driver.

45 Throw away

47 General Powel

51 United Church of Christ college

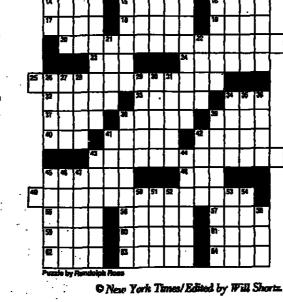
Adam of fiction

53 007's school

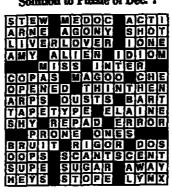
54 Latvian capital

\$8 Humdinger

50 Brisk dance



Solution to Puzzle of Dec. 7



ESCORTS & GUIDES BELGRAVIA **ORCHIDS** LONDON PARIS GENEVA ZURICH Soort Agency Credit Cords Welcom UK 071 589 5237

miles) north of Buenos Aires.

SIDELINES

Service - Worthwide Tel: 212-765-7896 New York, USA Major Gradi Cards Accepted GENEYA - ZUMCH ALLIANCE Facert Service & Travel, Muhilinguni Diol Geneva 1922 / 311 197 24

MADISONS LONDON PAIRS Swort Agency UK 071 266 0586 LONDON'S NO.1 ESCORT 3 Shouldburg St. Lendon WI AGENCY 071 258 0090

governing body, after testing positive for a banned stimulant during last summer's World Cup in the United States.

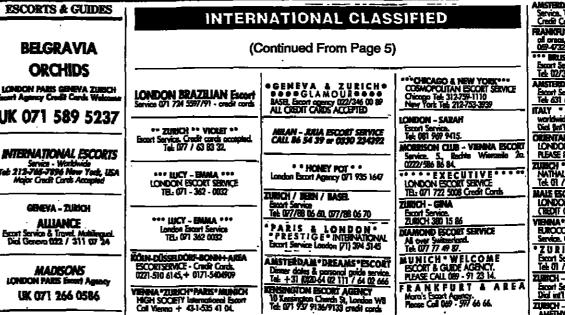
BUENOS AIRES, Argentina (AP) — Diego Maradona, his team in danger of being relegated to the second division, resigned Tuesday as coach of the Argentine soccer club Deportivo Man-All-Women Crew to Face Conner

Mara's Issant Agency. Please Call 069 - 977 66 66.

SAN DIEGO (AP) — America 3's historic all-women sailing team will face Dennis Conner in the first race of the first round

robin of the America's Cup defender trials on Jan. 12.

The Maine-based PACT 95 will debut on Jan. 13 in a race against Conner, and America3 will sail against PACT 95 on Jan. 14. The nine-race first round continues through Jan. 20. Conner has won the America's Cup three times and lost it once. America3 Maradona, 34, is banned from playing by FIFA, world soccer's defended the Cup in 1992 with a male crew.



To subscribe in Switzerland just call, toll free, 155 57 57

AMSTERDAM BUTTERFLY Excert Service. Tel: \$120-6471570 Credit Cords Accepted. PLANKFURT KÖLN DÜSSELDÖRF cal grees, Excert Service. 069-473294 Escort Service Tel: 02/343_19.18 AMSTERDAM BERNADETTE Escort Service. Tel: 631 63 36 or 631 06 43. ITALY * PARIS * COTE D'AZUR' worldwide french fiviera escart agency Diel field + 39 184 348 87 RIENTAL ESCORT SERVICE LONDON PLEASE PHONE 071 225 3314 ZUBICH * BEIN * LIZERN NATHALIE Escort Service Tet. 01 / 463 23 34 MALE ESCORT AGENCY LONDON 981 265 2000 (TEDIT CARDS ACCEPTED PENNA "PARIS" RIVIERA "ROME EUROCONTACT WIT Except + Tin Service. Call Vienna. +43-1-310 63 19. Excert Service Tel: 01 / 381 99 48 ZURICH - PARIS Escort Service. Diel int 1 19-32-2-2010/200 ZURBOH - DUSSELDORF - KOLIN AMETHYSTE In T Escont/Travel Service CALL SWITZERLAND 089-610 22 59. AMSTEIDAM CINDERFLA'S

"Escort Service **

Tel: +31.20.668 2501

ART BUCHWALD

The Sizzling Speaker

WASHINGTON — Newt Gingrich is not only going to be the speaker of the House, he could also become a sizzling fiction writer. This means that the country will be getting a

In his latest book he describes a beautiful spy in a

with the White House chief of staff.

Excerpt: "Suddenly the Diana huntress — she

pouting sex kitten became the rolled onto him and somehow was sit-

ting athwart his chest, her knees pinning his shoulders. Tell me or I'll do terrible things,' she

been writing a fiction book on a speaker of the House who gets seduced by his own manipulation and becomes a sex slave to his ambition.

I haven't finished the entire first draft yet, but I have completed several of the hot scenes that will help sell the book.

"The speaker walked into the bathroom of his private office and looked in the mirror. He liked what he saw. 'I have a contract with America,' he said. 'And I will seduce her with persuasion or whatever else it

Stolen Vases Recovered By the Vatican Museum

VATICAN CITY — Three ancient Greek vases stolen from the Vatican Museum last June have been recovered, the muse-

um said Wednesday. Italian police gave no further whisper in his ear, 'Don't stop, don't stop, please don't stop.'

"The speaker combed his curly silver hair. He liked what he saw. 'I'm in favor of family values, but at the same time I would love to ravage the welfare system and violate every government program inside the

"The female voice whispered, 'Is it as good for you as it is for

"Newt took off his shirt and studied the hair on his chest. In January they would all know what kind of man he really was. He examined the rippling muscles in his arms, dreaming of how deep they would slash the budget. He liked what he saw. "If I don't get prayer back in the public schools, I will walk

out of the House forever.'

"The voice cried, 'Don't leave It so happens that I have me like this. You're the only one I've ever loved. Besides, I want your baby.'

'Newt grinned. 'You can have it because I'm going to pass a constitutional amendment forbidding all abortion. You can always put it in an orphanage.'

"The speaker said to the mirror, 'Do you think that I will be criticized for writing soft porn?"

"He answered his own question: 'It doesn't matter what they think. As speaker I am top "Newt took a freshly pressed

suit from his closet and put it The female voice cried. Will you come back?" "Soon. I have to make love to

the NRA people so that we can get shameless pleasure from gutting the crime bill." 'I never felt this way about anyone before,' she said breath-

lessly. 'Did the Earth move for

" 'It did. Which reminds me I have to do something about the Environmental Protection

'Disclosure': Really, They Say, It's Just a Movie

By Bernard Weinraub New York Times Service

OS ANGELES — The fact that L Hollywood's first high-profile film about sexual harassment involves a woman harassing a man leaves its creators and stars uneasy and a bit defensive.

"We're making a movie, not an issue," said Michael Douglas, a star of "Disclosure," the adaptation of the Michael Crichton suspense thriller about corporate intrigue and sexual politics, which open Friday in the United States. "It's really about the use of harassment as a tool for power. And it's very effective in terms of allowing people to look at the issue from the other side."

"Disclosure," which is directed by Barry Levinson, also stars Demi Moore as an ambitious and venal corporate executive on the rise and Donald Sutherland as her boss in a cutting-edge computer company.

The plot involves a married Seattle executive, played by Douglas, whose expectation of a promotion is shattered when he's passed over in favor of a cool, smart and ferociously ambitious executive (played by Moore) from the company's Silicon Valley headquarters. Ten years earlier, the two had had an affair.

When the Moore character aggressively seeks to resume the affair, and is rejected, she promptly charges him with sexual harassment and seeks to destroy him. The film was adapted by Paul Attanasio, the screenwriter for 'Quiz Show," who has turned it into a high-tech suspense thriller, complete with a virtual-reality sequence.

For Levinson, the Academy Award-winning director (for "Rain Man,"), the film is clearly an effort to take on a commercial, star-driven venture and get his career back on track after such recent high-profile flops as Toys" and "Jimmy Hollywood."

For Douglas, the movie presents yet one more role in a highly successful career in which he depicts ordinary men in extraordinary situations. ("Actually I did some of this role in 'Fatal Attraction," he said. "But that was 10 years ago.")

And for Moore, the role of Mer-

Director Barry Levinson (center) with Demi Moore and Michael Douglas, the stars of "Disclosure."

edith Johnson in "Disclosure" serves as a potential breakthrough into the top echelon of movie stars. Moore got the part after Annette Bening

came pregnant and dropped out.
"In truth, I was terrified," Moore said. "Her nature is so different than mine," she said of the character she plays. "I didn't want to make her stereotypical. I didn't want to fall into the obvious trap of evil seductress. It's such a rich part: the com- the movie, deepened the film's highplexities are endless. And in the end, speed plot.

she's probably a lot smarter than most of the people around her and I think really good at her job. We all know women and men like this. Manipulative. Dishonest. She enjoys pushing buttons and watching people's discomfort. She's not out to hurt anybody as long as nothing gets

in her way. Moore said the sexual harassment issue, and the male-female reversal in pay attention," he said. "The film was a way to look at all of this in a fresh light and see how difficult it is for anybody to say, 'I have a problem; this is what happened. And knowing how dangerous it is for your life and reputation. Acknowledging that "Disclosure" had become more of a thriller than an exploration of sexual politics, he

Levinson said over breakfast one morning recently that the male-fe-

male reversal fascinated him. "Some-

how if you flip the roles, you have to

said: "It's not a polemic; it's not the definitive film on sexual harassment. If that's what someone wants, they'll have to look else where?

The film is considered to have some of the best women's roles in years, however, including the performance of a New York-based actress, Roma Maffia, as Douglas's lawyer.

As to Moore's character, Levinson said: "Some people look on her as a villain-villain. And I thought, 'Wait a minute.' If this was a movie about a man harassing a woman, we'd never look on the guy in the same way. He wouldn't be such a viliain. There are some cutthroat business executives out there. The fact that a woman does it makes her even more villain-

The often tangled relations be-tween men and women have been central to most of Levinson's films. which included "Diner," "Tin Men,"
"Good Morning Vietnam" and "Bugsy."

"The whole struggle between men and women, the struggle to understand one another, the frustration we have with one another have been themes in pretty much everything I've ever done," Levinson said. "This is a dynamic way of dealing with a volatile issue," she said. "The

As to Douglas, the role of Tom Sanders in "Disclosure" is one more part in which the actor plays a moreor-less average man caught up with beautiful, dangerous women, from Glenn Close ("Fatal Attraction") to Sharon Stone ("Basic Instinct") to Moore. Tough work, but somebody's

got to be the victim. "The part was pretty close to me," he said in a telephone interview. "I could be that person. I didn't have to

WEATHER Forecast for Friday through Sunday, as provided by Accu-Weather.

Europe



NOTTH AMERICA
New York and Washington,
D.C., will be dry and chilly
Friday. Some rain is likely
Saturday; it may end as
snow or flurries Sunday.
Toronto and Chicago will
have rain or snow Friday into
Saturday followed by dry and
cold weather Sunday. Dry
weather is likely thrusty the

Windy, wet weather will stretch from England to Balic Sea areas through the weekend. Some showers will move into France and Germany, especially Friday and perhaps again Sunday, Generally dry weather will prevail along the Mediterranean coastil prass from Spain in

Corr COF 12/53 8/46 3/37 7/44 -1/31 7/44 CF 13/55 9/48 3/37 8/46 2/35 8/46 High C/F 18/64 16/64 14/67 15/68 23/73 19/68

23/73 sh 2/25 pc 20/88 sh 22/71 pc 12/53 s 1/34 t 8/46 sh 18/64 sh 7/44 r North America

B AD news for the lautona produce and Reynolds says his spat with Loni An-AD news for the tabloid press: Burt derson is over. After two tense days in court, Reynolds has agreed to pay his exwife an undisclosed amount of monthly child support for their adopted 6-year-old son, Quinton. "This saga is over. Let's put it to bed. I'm very happy we were able to sell papers for a year," Reynolds said of their messy separation and divorce. Outside the courthouse, Reynolds and Anderson warmly embraced. Reynolds, 58, got the \$4 million ranch in Florida and a \$2 million waterfront mansion. Anderson, 48, got \$2 million over five years to pay for her new home and \$11,000 a

may de unis centu bird has been auctioned off. The Maltese falcon, the central prop in the classic 1941 movie, was bought for \$398,500 by Ronald Winston, president of Harry Winston jewelers in New York. The object is about a foot (30 centimeters) high and weighs

about 50 pounds (22 kilograms). . . Separately, an unidentified American collector has paid \$550,000 for the hunting rifle odore Roosevelt took with him on



fact that the roles are switched pro-

vides us, I think, with a certain

heightened sensitivity and awareness

film to deal with harassment and

sexual politics; last month, for in-

stance, David Mamet's "Oleanna"

was released, but it is the first high-

profile movie with big stars to try to

PEOPLE

"Disclosure" is hardly the first

of this issue."

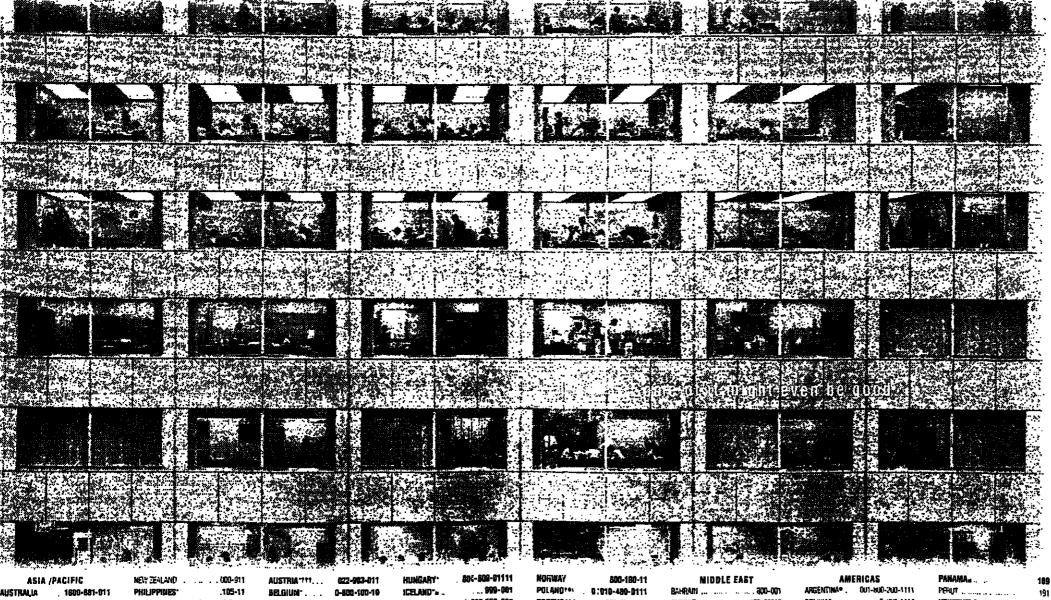
Anderson and Reynolds leaving court.

safari. The rifle was made to Roosevelt's specifications by the London gunmaker Holland & Holland for the former president's 1909-10 safari. The rifle, auctioned in San Francisco, has been called perhaps the finest ever made.

Prince Andrew has invited his estranged wife, the Duchess of York, to move back into their marital home while she is looking for new quarters after her rented house is sold, a British tabloid says. The Sun said Queen Elizabeth's second son was still hoping for a reconciliation with his wife.

Sylvester Stalione and Arnold Schwi zenegger are molly-coddled wimps, afraid to do their own stunts, says Jackie Chan, the Hong Kong movie star. "I don't use stunt men," said Chan, 40, who has broken 20 bones leaping from speeding cars and diving from buildings in his action films.

Spike Lee, the director whose movies include "Malcolm X." has become a father for the first time. His wife, Tonya Lewis, a Washington lawyer, has given birth to a 2.9 kilogram (6.5-pound) daughter named Satchel. Lee is currently working on a movie about Jackie Robinson, major league baseball's first black player. On becoming a father? "I'm still at a loss for words."



AUSTRALIA 19811 KOREA .. 069-11

GB00-111

880-6011

MAC40.

MALAYSIA

RUSSIA *(MOSCOW) ... 155-5942 235-2872 SAIPAN .800-0111-111 SINGAPORE SRI LANKA . 430-430 8080-10288-0 ...0019-99:-1111 EUROPE

SUI GARIA . 00-1820-0010 CROATIA++ 99-36-0611 190-001 .0130-0810

1-800-550-000 IRELAND172-1011 ITALY-. 155-09-11 LIECHTENSTEIN" 0-693-011 0800-830-110 19:-0811 88-022-9111

PORTUGAL 05017-1-258 ROMANIA .01-809-4288 SLOVAK REP. 00-428-00101 SPAIN. 900-99-00-1 SWEDEN 020-796-611 SWITZEPLAND 155-00-11 UKRAME 8 /100-11

CYPRUS: ...080-90010 EGYPT* (CAIRO)* ... 518-6206177-109-2727 800-288 . 426-801 .1-800-10 SALIDI ARABIA. 08-880-12277

0-890-1112 BRAZIL . 000-8018 CANADA 1-800-575-2222 CHILE . .. 00:-0312 960-11-0016 EL SALYADOR 190 123 95-800-472-4240

VENEZUELA'... 88-011-120 GABON" GAMBIA' **IVERY COAST** 80-111-11 KENYAT UBERIA 797-797 SOUTH AFRICA

Just because you re out or the office doesn't mean you're out of touch. Simply dial the AT&T Access Number below of the country you're calling from In a matter of seconds, you'll be connected with an English-speaking Operator or voice prompt for clear.

Find out what you're missing with ATST USADirect* and World Connect* Service.

reliable connections to the U.S. or over 100 other countries. Charging it to your AT&T Galling Card can minimize hotel surcharges and assure you economical AT&T rates, too. So go to the nearest phone and

check in with those who said, "Don't worry about

TrueWorld Connections

a thing." After all, that's reason enough to worry



To get a time wallet and living all [3] acres counter, ask to customer service after dialing the acres canning.

ANT UNIDERS Force credible to Sold acre description on the degree of the counter of the

حكنا من الاحل

.....

atest Signal bout Delor-

KIOSK

 $S(\mathbb{C}_{\geq N})_{\mathbb{C}_{\geq 0}}$